

NORTH OF LEHIGH, KENSINGTON BROWNFIELDS AREA-WIDE PLAN MARKET STUDY

June 2018

REPORT SUBMITTED TO:
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1.0 INTRODUCTION

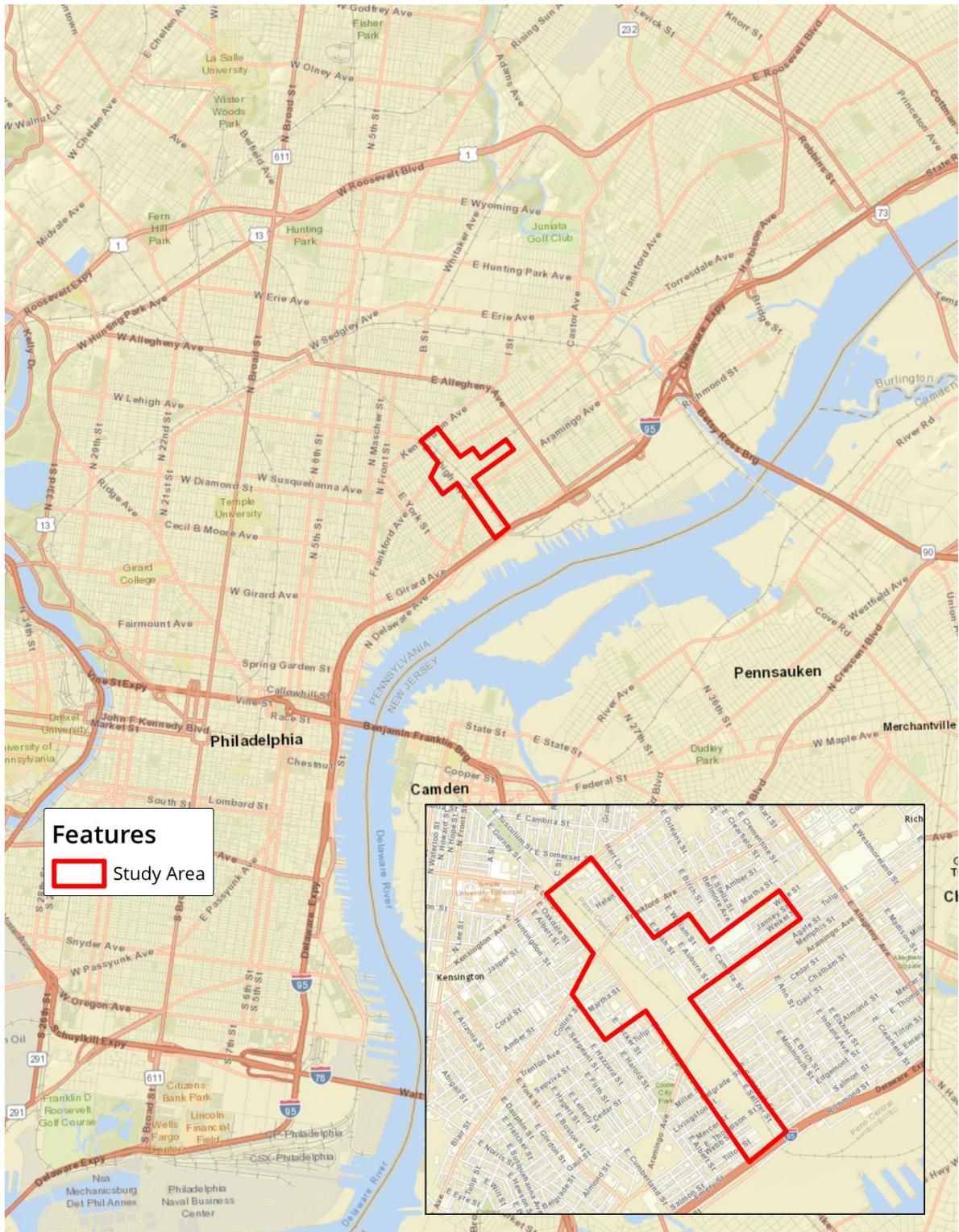
Rowan University received a grant from the U.S. Environmental Protection Agency (US EPA) to develop a Brownfields Area-Wide Plan (BF AWP) in conjunction with the New Kensington Community Development Corporation (NKCDC) for a key area of the Philadelphia City Planning Commission's (PCPC) River Wards Planning District. The study area (Figure 1.1) is comprised of a portion of the Lower North Delaware Industrial District and is adjacent to the Lehigh Viaduct.

The purpose of a BF AWP is to help communities develop near- and long-term strategies to clean up brownfield sites for reuse and redevelopment. The plan should be informed by market and environmental conditions and balance the needs of the City, landowners, and the community at large.

As part of developing the BF AWP the project team has developed a list of five catalyst sites. This report focuses on the analysis of the market conditions for the potential uses of each of the catalyst sites.

We begin by reviewing the demographics of the study area and compare the study area to other nearby neighborhoods and the City as a whole. We then discuss the owner-occupied and rental real estate market conditions and the potential for retail and industrial uses. Finally, we evaluate the potential alternatives for each catalyst site.

Figure 1.1: BF AWP Study Area Location



1.1 THE STUDY AREA

The study area contains 1,768 individual parcels covering 128.5 acres. Table 1.1 and Figure 1.2 summarize the current land uses of the parcels within the study area. The land use categories are based on data maintained by the Philadelphia City Planning Commission (PCPC). It is important to note that in some instances the current land use does not match the current zoning of the parcels.

The largest land use category, in terms of acres, are the railroad parcels associated with the freight rail line that bisects the study area. Some of these parcels are required for the continued operation of the rail line and are likely undevelopable and should be excluded from the analysis. Industrial and residential uses comprise the second and third largest uses in the study area.

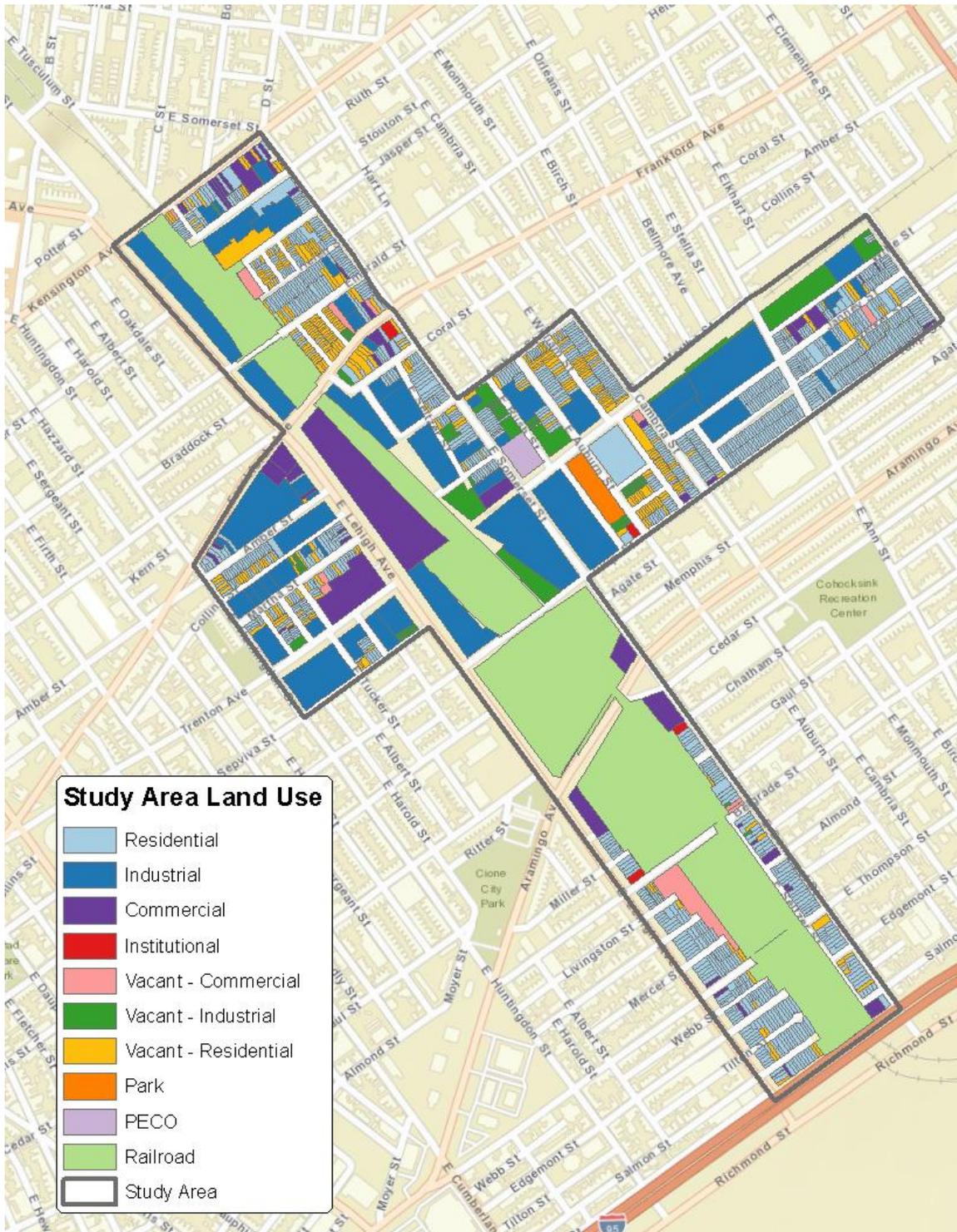
Table 1.1: Study Area Land Use

	Parcel Count	Acres	Percent of Total Acres
Residential	1,166	29.3	23%
Industrial	66	29.4	23%
Commercial	55	10.6	8%
Institutional	5	0.4	0%
Vacant - Commercial	13	2.0	2%
Vacant - Industrial	59	5.1	4%
Vacant - Residential	349	8.0	6%
Park	1	0.9	1%
PECO	1	0.7	1%
Railroad	53	42.1	33%
Total	1,768	128.5	

Source: Philadelphia City Planning Commission (2017)

Based on the land use data from the PCPC there are 421 vacant parcels that cover approximately 15.1 acres of the study area. The vacant parcels range in size from less than 0.1 acres to approximately 1.2 acres. It is important to note that while many of the vacant parcels are very small, many of the small vacant parcels are contiguous to one another and could potentially be combined into attractive developable parcels.

Figure 1.2: Study Area Land Uses



Source: Philadelphia City Planning Commission (2017)

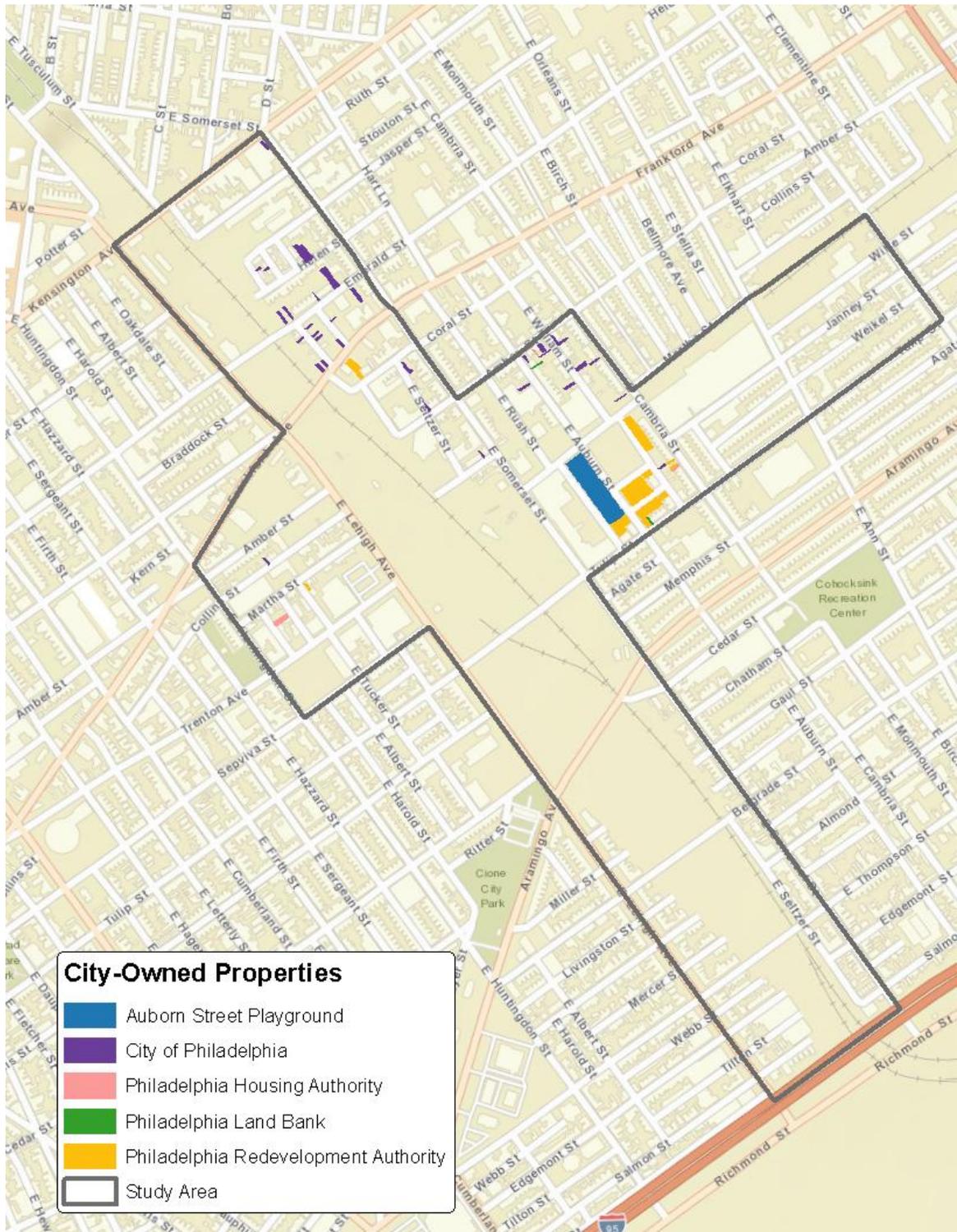
The City of Philadelphia and city-related entities currently own 91 parcels representing 3 acres of land within the study area. The largest public land owner is the Redevelopment Authority followed by the City of Philadelphia. The Philadelphia Housing Authority and the Philadelphia Land Bank also own properties within the study area. Most of the government-owned properties are classified as vacant. As illustrated in Figure 1.3, many of the city-owned parcels are contiguous, which would allow them to be easily consolidated into larger developable tracts.

Table 1.2: City-owned Parcels

	Parcel Count	Acres	Percent of Total Acres
Non-Government Owned	1,677	125.4	98%
Auburn Street Playground	1	0.9	1%
City of Philadelphia	36	0.9	1%
Philadelphia Housing Authority	4	0.1	0%
Philadelphia Land Bank	2	0.0	0%
Philadelphia Redevelopment Authority	48	1.2	1%
Total	1,768	128.5	

Source: OPA (2017)

Figure 1.3: City-owned Parcels



Source: OPA (2017)

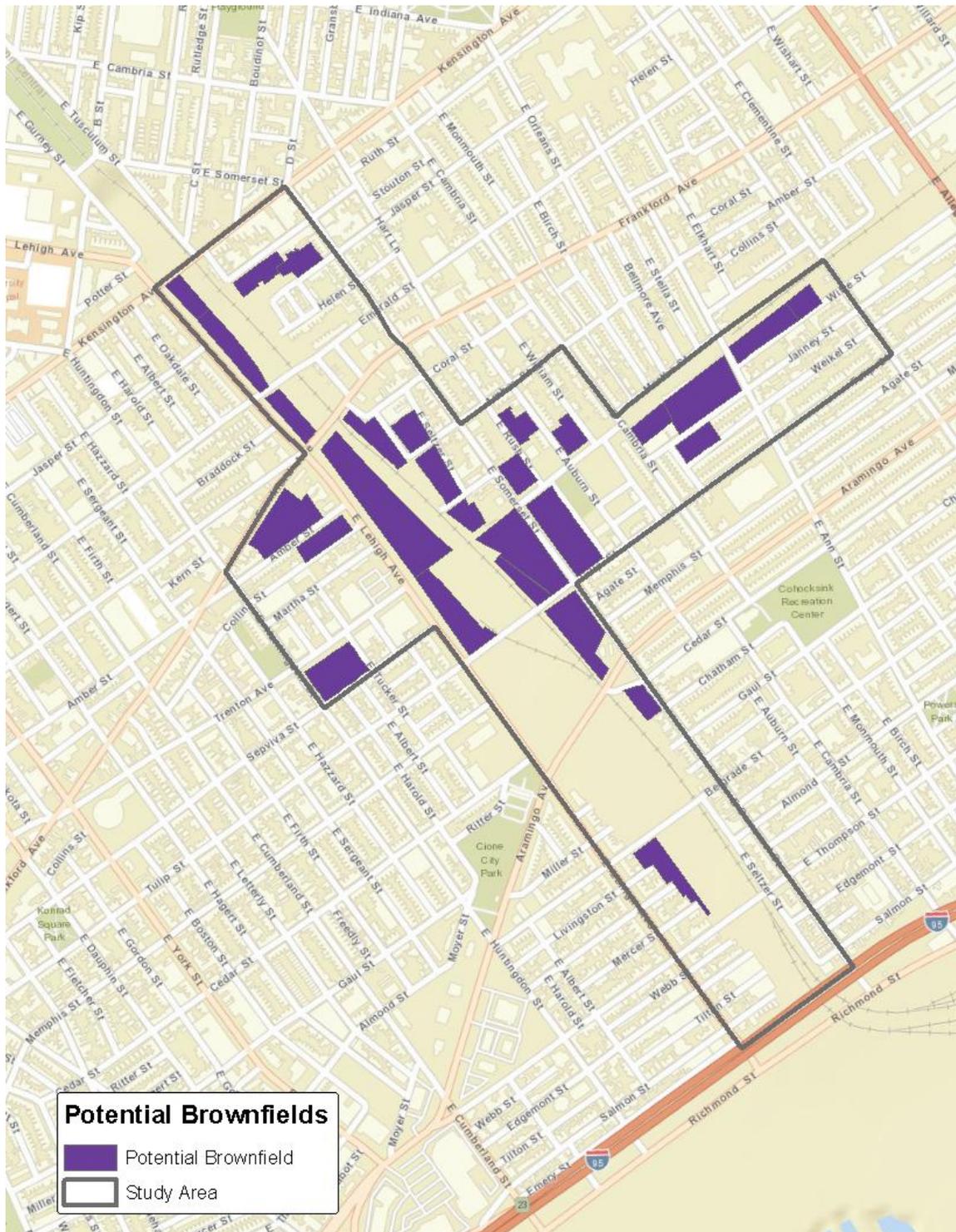
Philadelphia was once known as the “Workshop of the World” and the Lehigh Viaduct and surrounding neighborhoods played a key role in the City’s industrial vitality. These past and current industrial uses may have led to environmental contamination on many of the parcels. We estimate that there are 27 potential brownfields covering 32.6 acres of land located within the study area. For the purposes of this analysis, the potential brownfields were defined as meeting at least one of the following criteria:

- A building description based on Office of Property Assessment (OPA) data that would be consistent with a use that has the potential to generate pollution. This includes: auto repair shops, auto junk yards, gas stations, industrial manufacturing uses, scrap metal facilities, funeral homes, and vacant industrial and commercial land.
- A building description that is either vacant industrial land or vacant commercial land.
- Historically or currently zoned for industrial use. This includes the I2 and the ICMX zoning codes.
- Over 0.5 acres in size

Since the railroad-controlled parcels are unlikely to be made available for development, we did not consider the railroad associated parcels to be potential brownfields. Please see Appendix A for a complete list of the potential brownfields.

As illustrated in Figure 1.4, many of the potential brownfield sites are large tracts of land that could be attractive for redevelopment or adaptive reuse. However, the potential presence of environmental contamination may present a barrier to returning the land to productive uses.

Figure 1.4: Potential Brownfields



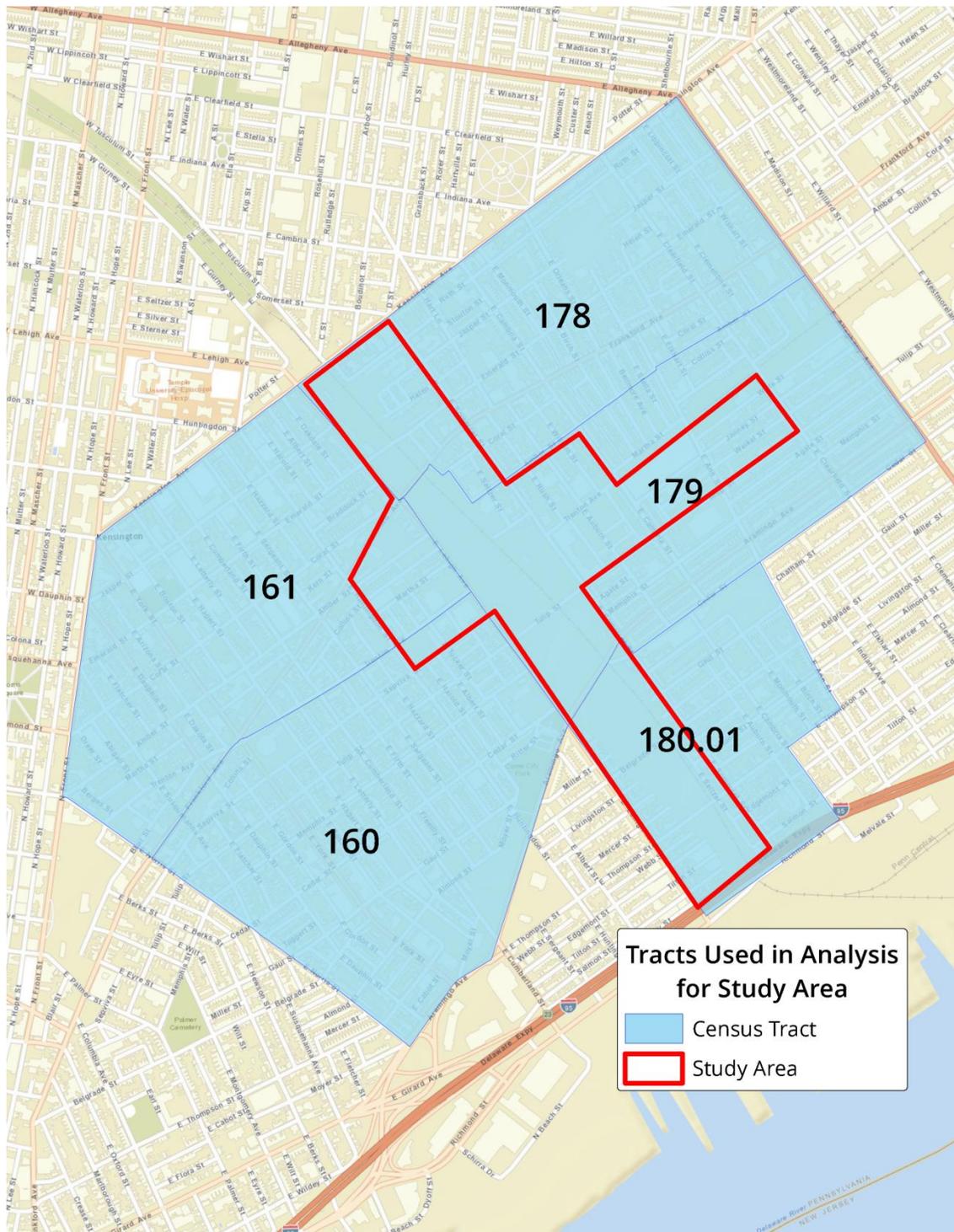
Source: OPA (2017)

2.0 LOCAL DEMOGRAPHICS

The study area straddles the Lehigh Viaduct between Kensington Avenue and Interstate 95. Most of the study area is located north of the viaduct, with a small portion located south of the viaduct (See Figure 1.1). The BF AWP study area as defined does not follow the boundaries of US Census Tracts precisely, but rather contains portions of five different Census Tracts. Figure 2.1 compares the Census Tracts boundaries to the study area boundaries. For the purposes of analyzing the demographics of the BF AWP study area, we use the boundaries of the five Census Tracts as the basis of the demographic analysis.

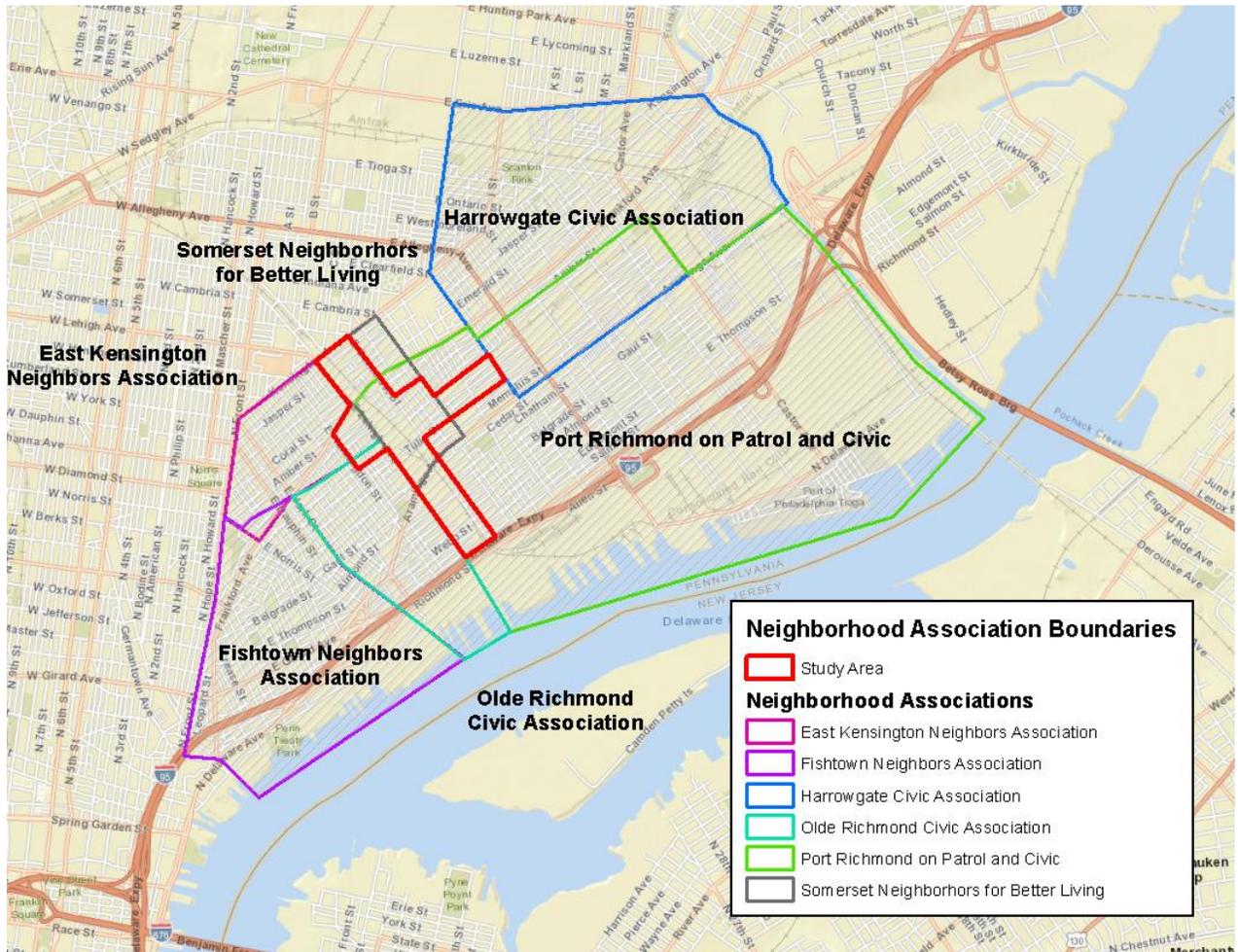
The study area is served by several different neighborhood associations, including: Port Richmond on Patrol, Olde Richmond Civic Association, Fishtown Neighbors Association, East Kingston Neighbors Association, Somerset Neighbors for Better Living, and the Harrowgate Civic Association. Figure 2.2 compares the study area boundaries with the boundaries of the various neighborhood groups.

Figure 2.1: Study Area and Target Census Block Group Boundaries



Source: US Census (2016)

Figure 2.2: Study Area and Neighborhood Association Boundaries



Population

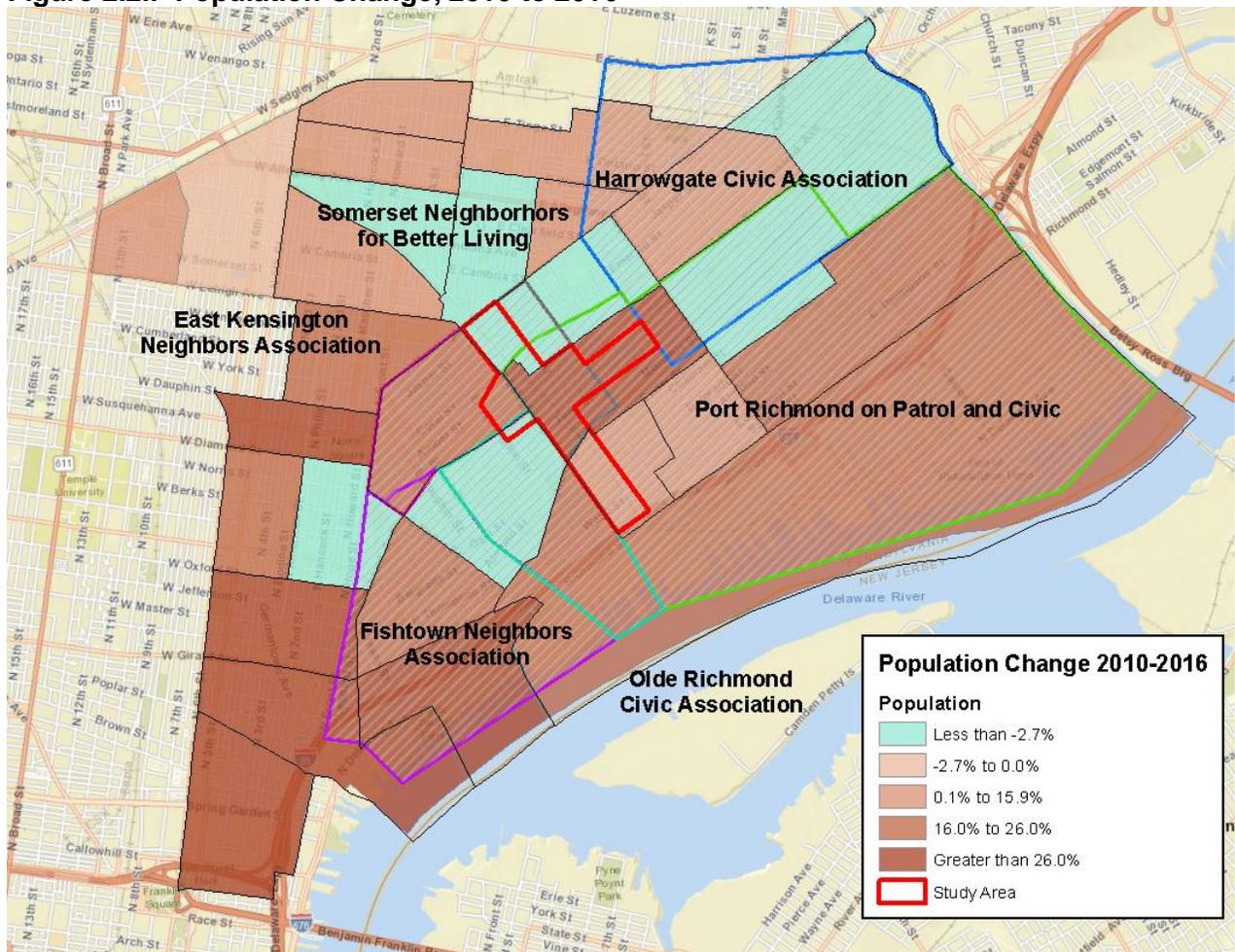
According to data from the most recent American Community Survey (2016) from the US Census Bureau, the study area’s population was estimated at 28,854, which represents a nearly 10 percent increase from 2010 American Community Survey. While the southwest edge of the study area has seen a slight decline in population, several of the area’s census tracts have seen significant population growth, most notably Tracts 161 and 179. The study area has a population density of 35 residents per acre.

Table 2.1: 2010-2016 Population Trends

Census Tracts	2010 Population	2016 Population	Change in Population (%)
160	6,913	6,721	-2.78%
161	4,911	5,964	21.44%
178	6,692	6,224	-6.99%
179	5,417	7,283	34.45%
180.01	2,372	2,662	12.23%
Study Area	26,305	28,854	9.69%

Source: American Community Survey (2010 and 2016)

Figure 2.2.: Population Change, 2010 to 2016

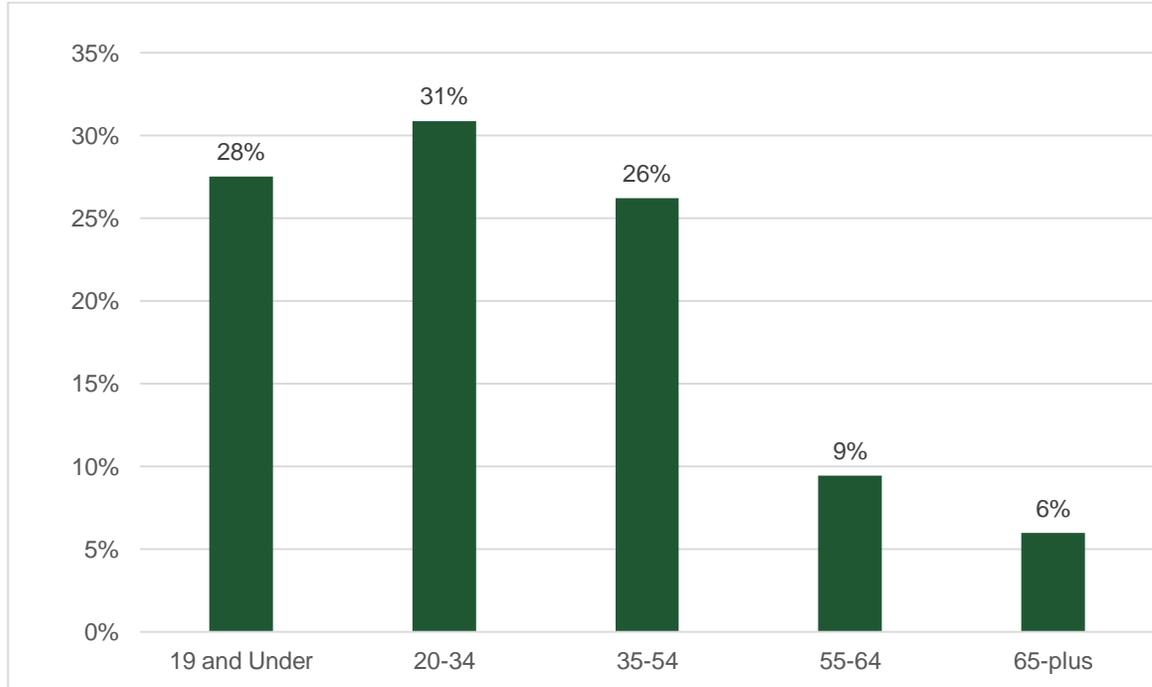


Source: American Community Survey (2010 and 2016)

Nearly 30 percent of the study area’s population is under the age of 19, and 31 percent are between the ages of 20 and 34. The second largest cohort is the 35 to 55 age group.

Approximately 66 percent of the population is of working age (20 to 65 years of age) and only 6 percent are over the age of 65.

Figure 2.3: Study Area Population by Age Distribution



Source: American Community Survey (2016)

Based on data from the 2016 American Community Survey, the largest racial group is white which makes up over 65 percent of the population, followed by African American at nearly 16 percent and Latino at 27 percent. It is important to note that race and ethnicity are two distinct classifications in American Community Survey Data. Race refers to a person's racial background (White, African American, Asian, or Other) while ethnicity refers to the ethnic origin of that person (Latino or Non-Latino). Therefore, people of any race could be of any ethnic origin. The sum of the columns in Table 2.2, are therefore greater than 100 percent as those who report a Latino ethnicity also report a specific race (White, African American, Asian, or Other).

There is also significant variation in the racial composition of the Census Tracts that comprise the study area. The percent white ranges from approximately 42 percent to 94 percent, the percent African American ranges from 2.4 percent to over 31 percent, and the percent Latino ranges from approximately 7 percent to nearly 45 percent.

Table 2.2: 2016 Racial Composition

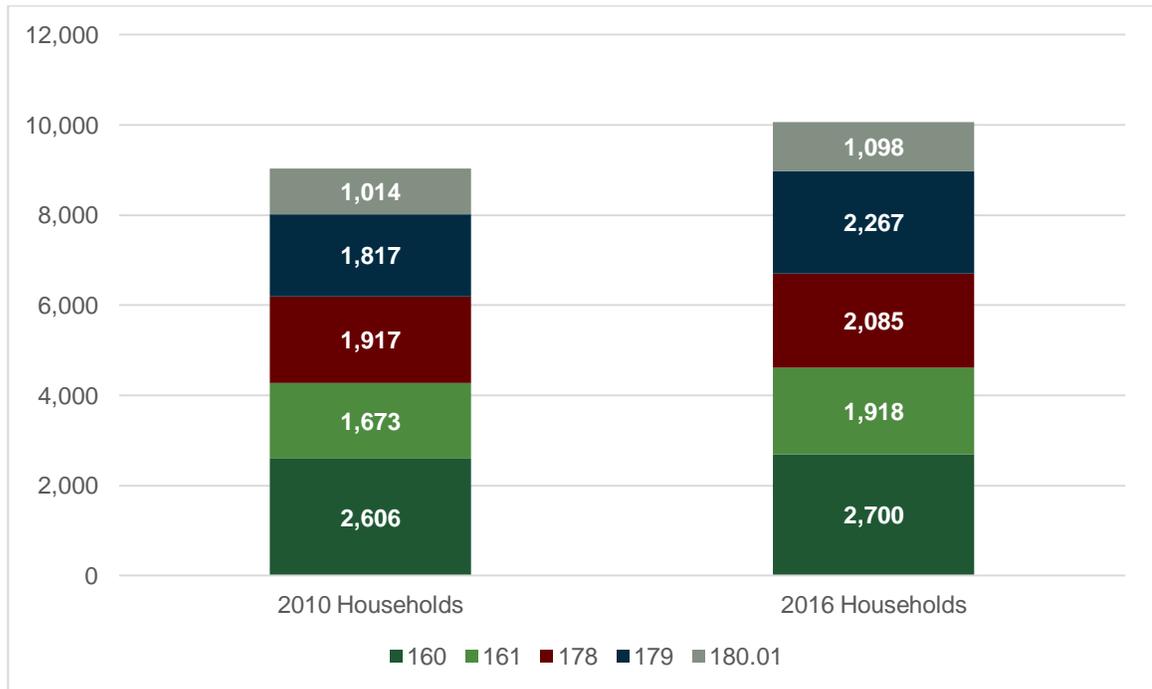
2016 Tracts	Percent White	Percent African American	Percent Latino	Percent Asian	Percent Other
160	92.8%	2.4%	7.6%	4.9%	3.7%
161	63.5%	6.8%	25.9%	13.5%	20.3%
178	41.8%	31.1%	44.6%	4.7%	23.1%
179	51.1%	28.3%	38.6%	0.5%	22.0%
180.01	93.8%	4.3%	6.8%	4.5%	2.1%
Study Area	65.3%	16.2%	27.1%	5.5%	15.8%

Source: American Community Survey (2016)

Households

The number of households in the study area increased by over 11.5 percent over the 2010 to 2016 period, from 9,030 to 10,070. Over the same period, the average household size has increased slightly from 2.77 to 2.84 individuals.

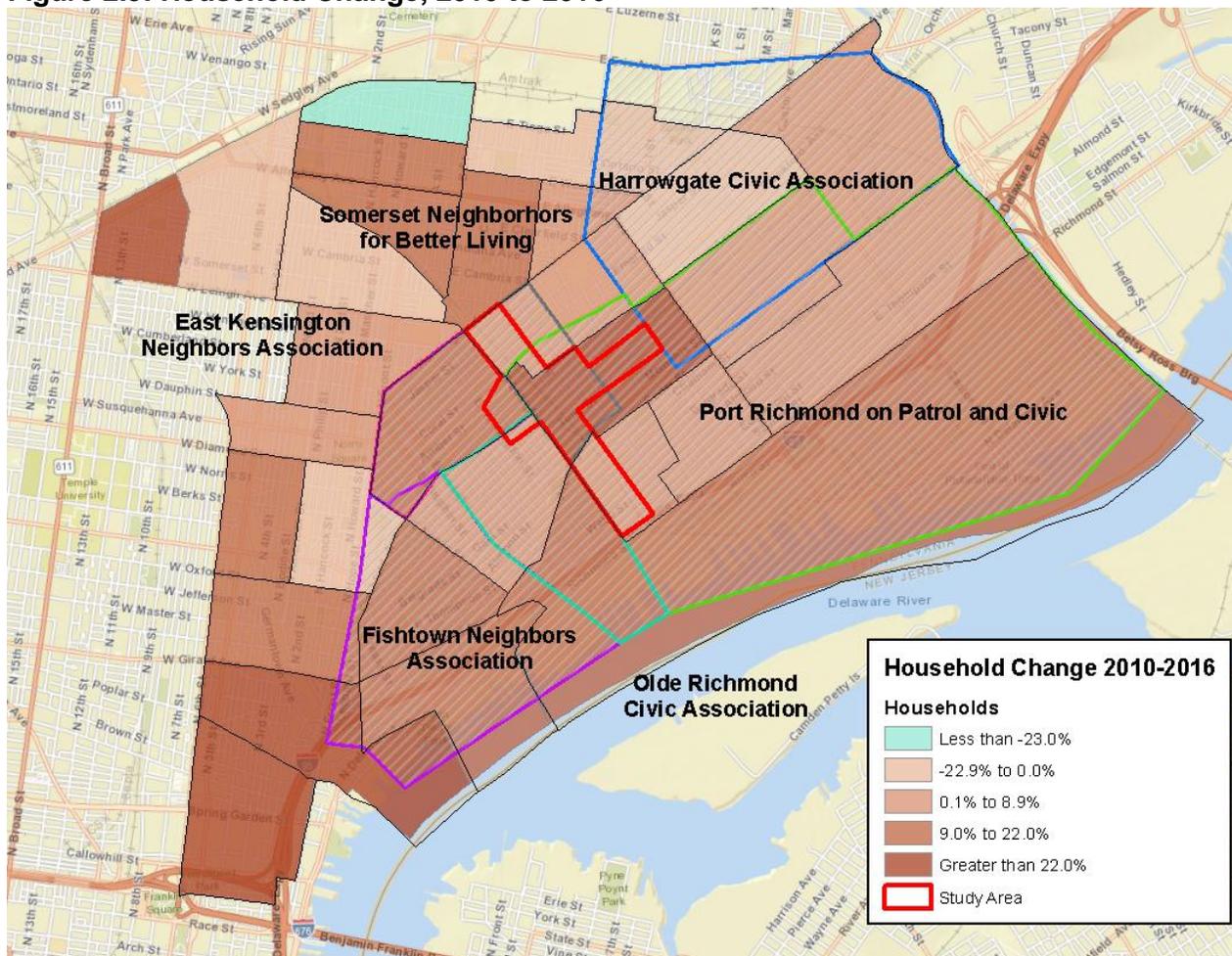
Figure 2.4: 2010-2016 Household Trends



Source: American Community Survey (2010 and 2016)



Figure 2.5: Household Change, 2010 to 2016



Source: U.S. Census Bureau (2010), American Community Survey (2010 and 2016)

Housing Occupancy

As would be expected based on the increase in population and the number of households over the 2010 and 2016 period, the number of occupied housing units in the study area also increased. The number of occupied housing units increased by 11.5 percent from 9,027 to 10,068. Over the same period there was an increase in renter-occupied households and a decrease in homeownership. The number of renter-occupied households increased by approximately 32 percent, while the number of owner-occupied households decreased by about two percent.

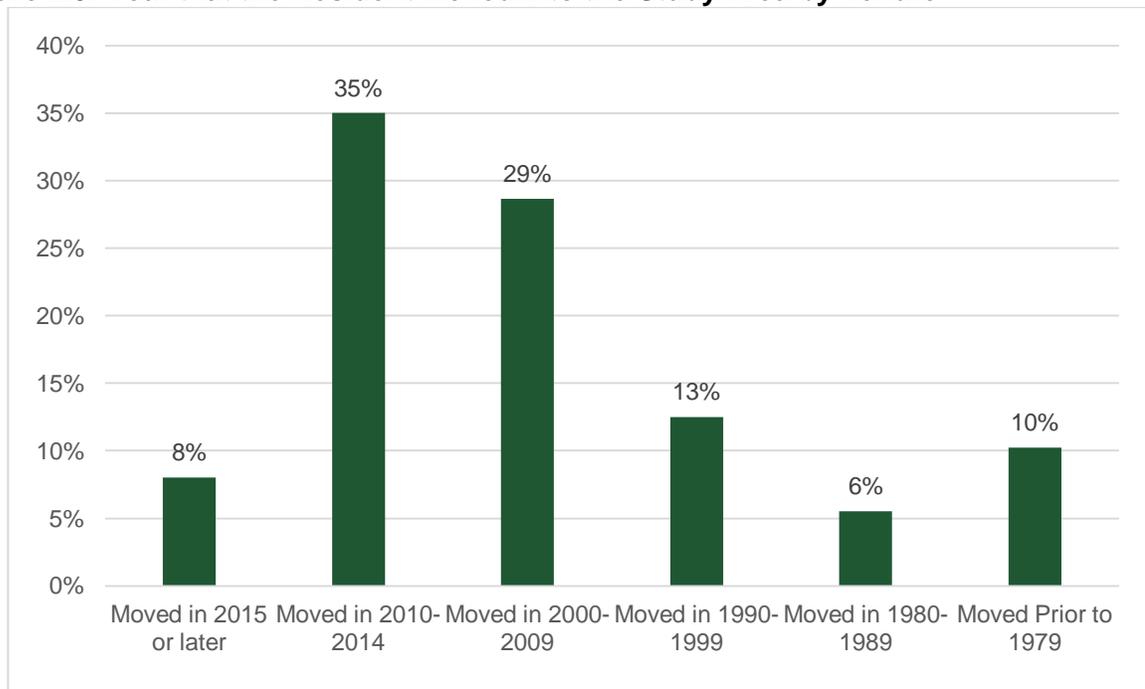
Table 2.3: Housing Tenure 2010-2016

	Housing Units 2010	2010 Percent	Housing Units 2016	2016 Percent
Occupied Housing Units	9,027	81%	10,068	86%
Owner	5,333	59%	5,204	52%
Renter	3,694	41%	4,864	48%
Vacant Units	2,073	19%	1,629	14%
Total Housing Units	11,100		11,697	

Source: U.S. Census Bureau (2010), American Community Survey (2010 and 2016)

Seventy-two percent of the residents of the study area moved in since 2000, with over 43 percent having moved in since 2010.

Figure 2.5: Year that the Resident Moved into the Study Area by Tenure

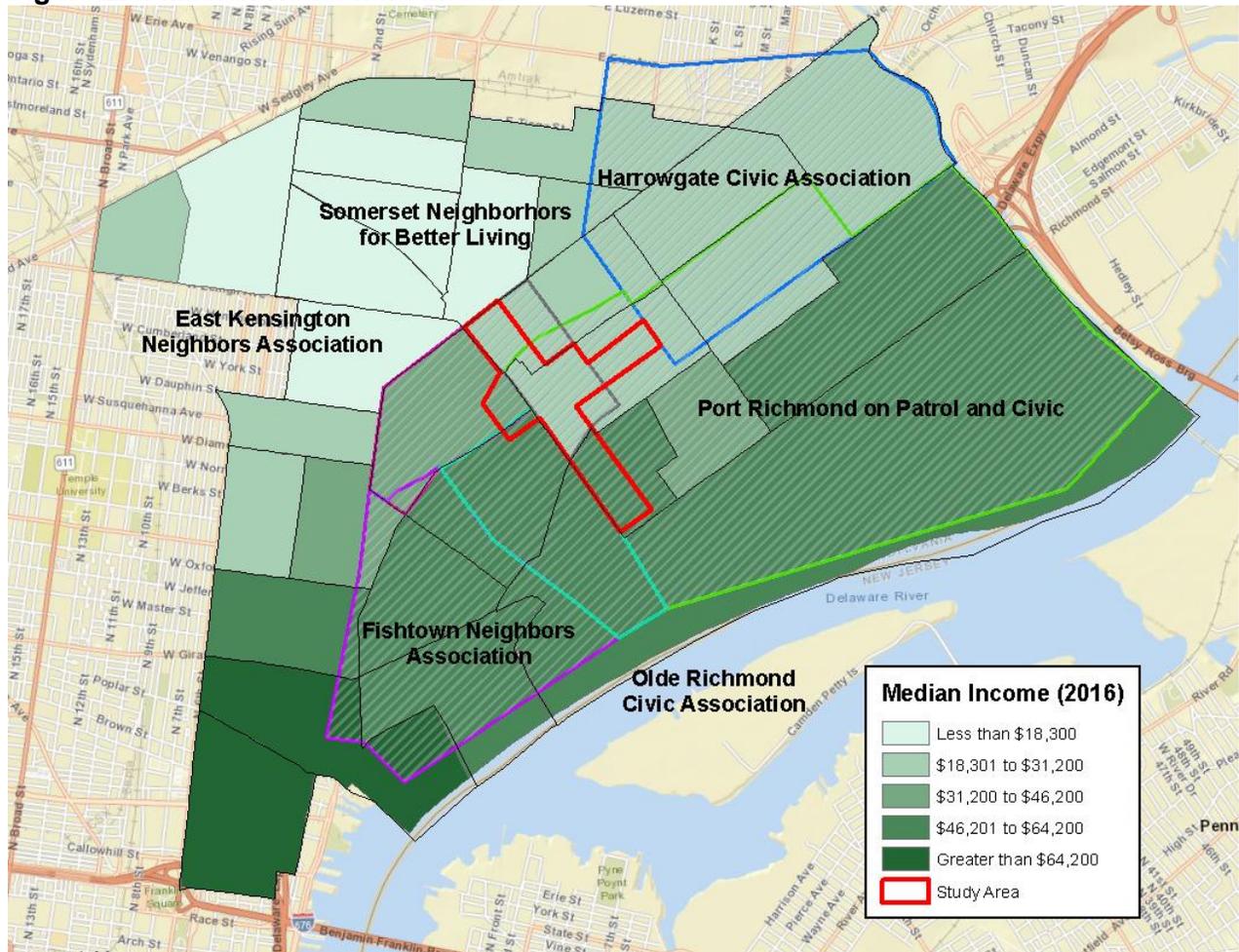


Source: American Community Survey (2016)

Income

The median household income of the Census Tracts that comprise the study area ranged from \$24,975 to \$57,980, which is equivalent to 60 percent to 141 percent of the City’s median income. The per-capita income ranged from \$6,500 to over \$26,430, or 41 percent to 118 percent of the per-capita income of the City. Figure 2.6 overlays the CDC boundaries with median household income data.

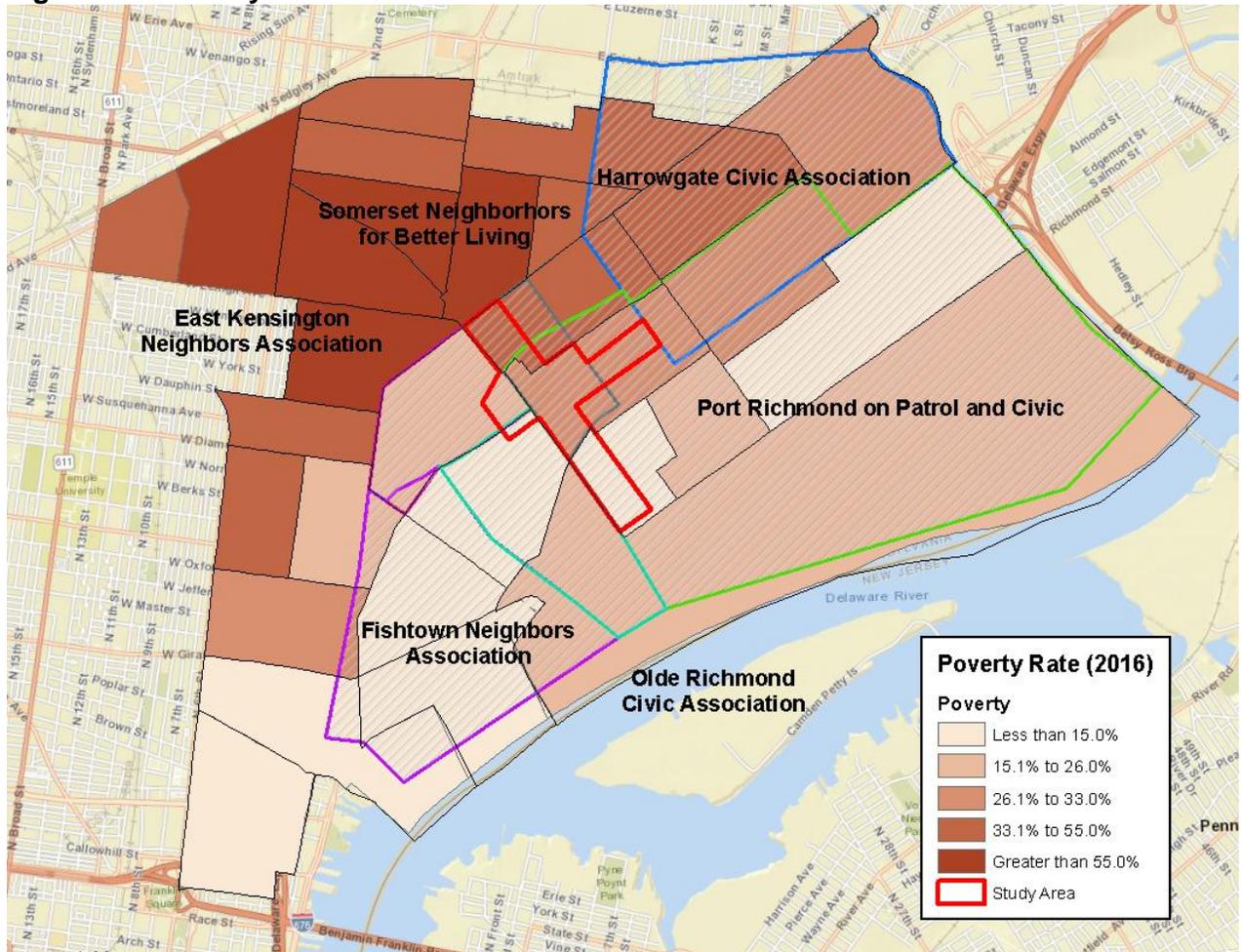
Figure 2.6: Median Household Income



Source: American Community Survey (2010 and 2016)

Over the 2010 to 2016 period, the number of residents below the poverty-line decreased from 8,804 to 8,544 individuals. In 2010, over 33 percent of the study’s area population was below the poverty line and by 2016 the percentage decreased to 30 percent.

Figure 2.7: Poverty Level 2010-2016



Source: American Community Survey (2010 and 2016)

Educational Attainment

The highest level of education attained by an individual is an indication of the skill set that the residents have and their attractiveness to potential employers. Twenty-six percent of the study area’s residents 25 and older have less than a high school degree and 34 percent have a high school diploma. Twenty-six percent of the population has a college degree, including Associate’s, Bachelor’s, and Graduate or Professional degrees.

Table 2.4: Educational Attainment

	2016 25+ Population	Percent
Less than 9 th Grade	1,416	7.9%
Some High School, No Diploma	3,198	17.8%
High School Graduate	6,064	33.8%
Some College, No Degree	2,662	14.8%
Associate Degree	943	5.3%
Bachelor's Degree	2,652	14.8%
Graduate/Professional Degree	1,013	5.6%

Source: American Community Survey (2016)

Employment

The labor force participation rate of the study area is approximately 64 percent, which means that more than a third of the individuals of working age do not participate in the labor force. In 2016 the study area's unemployment rate was over 18 percent, this is more than three times the national unemployment rate of 5.0 percent in 2016.

Table 2.5: Employment Status

	2016	Percent
In Labor Force	14,134	63.5%
<i>Employed</i>	11,566	81.8%
<i>Unemployed</i>	2,568	18.2%
Not in Labor Force	8,141	36.5%
Total Population 16+	22,275	

Source: American Community Survey (2016)

According to data from US Census LEHD data, 875 people work in the study area.¹ Of those 875, only 29 people, less than three percent, both live and work in the study area. Approximately one percent of the working-age population that lives in the study area also works in the study area.

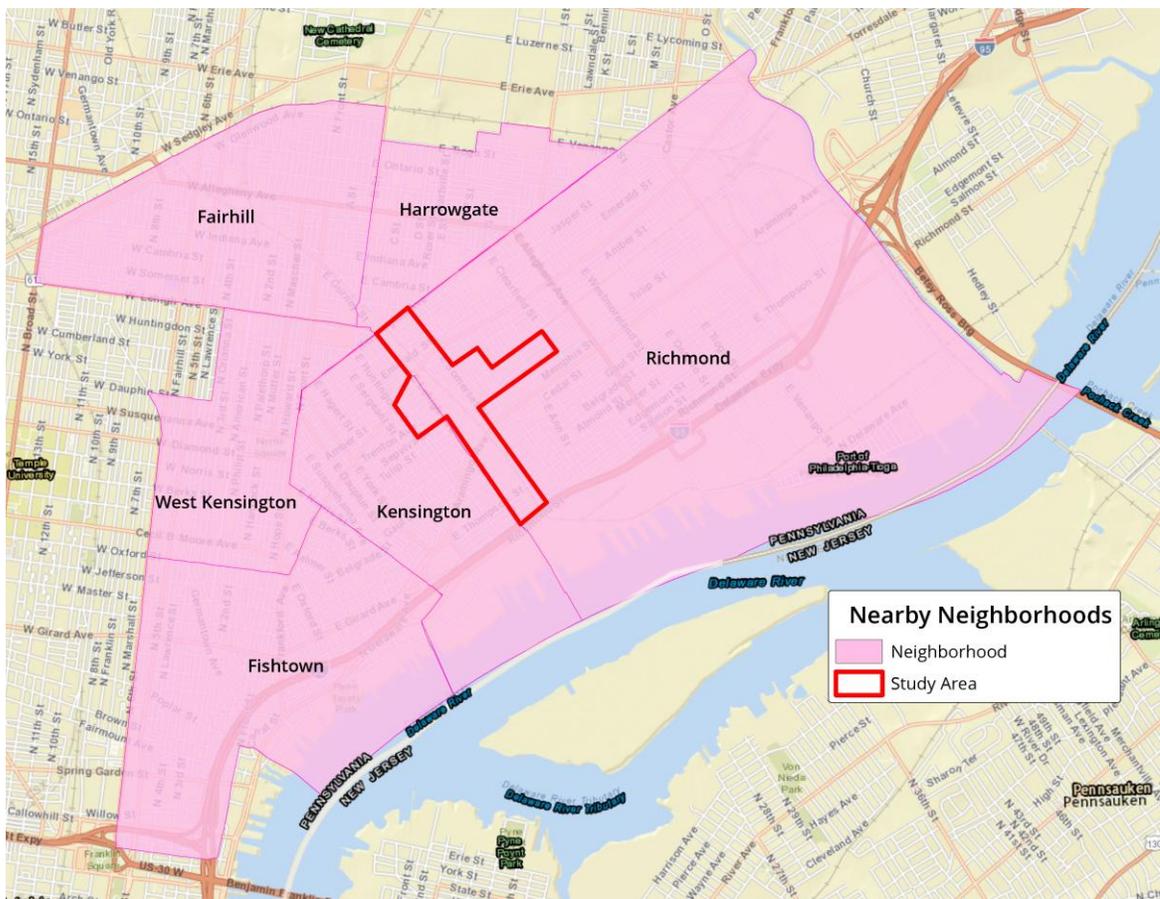
The majority of neighborhood residents are employed in the following low-skilled industries “All Other Service Industries” (69 percent); “Trade, Transportation, and Utilities” (21 percent); and “Goods Producing” (10 percent).

¹ Source: U.S. Census Bureau, Center for Economic Studies <<http://onthemap.ces.census.gov/>>

3.0 DEMOGRAPHIC COMPARISON

To better understand the demographic conditions in the BF AWP study area, we compared the study area to other nearby neighborhoods and the City as a whole. The neighborhood definitions are based on neighborhood definitions developed by the University of Pennsylvania’s Cartographic Modelling Lab. While we understand that some of these neighborhood names may not be used by residents², they represent areas that may be of interest to the development community and potential investors. In addition, the University of Pennsylvania neighborhood boundaries also align well with US Census boundaries.

Figure 3.1: Neighborhoods Surrounding the Study Area



Source: ESI (2016)

² In Section 2, we included a series of maps that overlay the Census data with the boundaries of the neighborhood groups that serve the study area. The neighborhood group boundaries may be of more interest to local residents than the comparison neighborhoods used in this section.

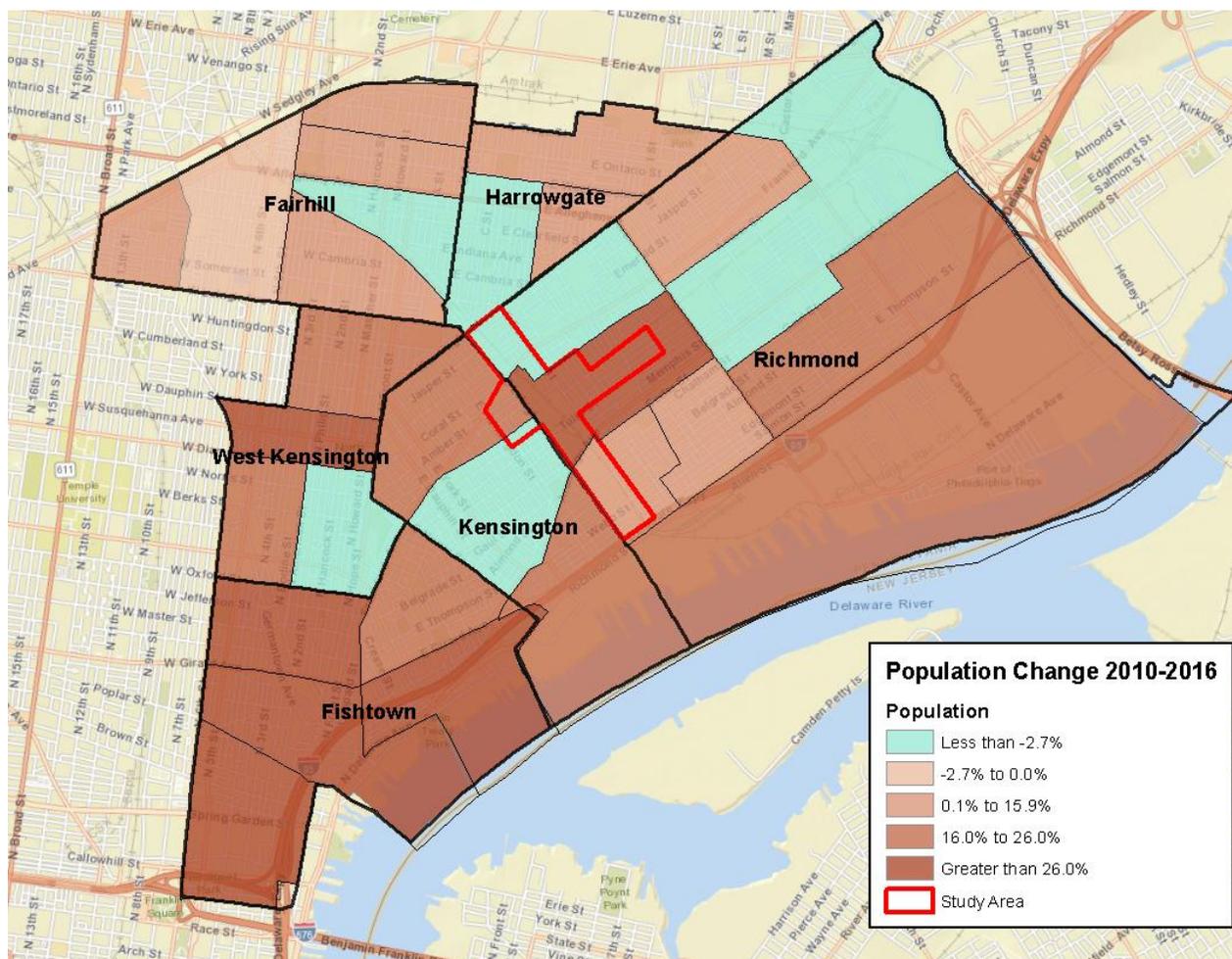
Population

In most of the neighborhoods surrounding the BF AWP study area, the population increased between 2010 and 2016. The only neighborhoods that lost population was West Kensington, which saw a population decrease of almost 11 percent. The population change in the nearby neighborhoods ranged from a decrease of 11 percent (West Kensington) to an increase of approximately 30 percent (Fishtown). The population growth in the study area outpaced population growth in the City as a whole, which saw population increase by 2.74 percent. As illustrated in Figure 3.2, the Census Tract that comprises the bulk of the study area (Census Tract 179) is one of the fastest growing Census Tracts in the surrounding neighborhoods and has witnessed growth similar to the Fishtown neighborhood.

Table 3.1: 2010-2016 Population Trends

	2010 Population	2016 Population	Change in Population (%)
Study Area	26,305	28,854	9.69%
Port Richmond	37,086	41,212	11.13%
Kensington	12,222	13,185	7.88%
Harrowgate	17,694	18,472	4.40%
Fairhill	26,732	27,135	1.51%
West Kensington	12,222	10,887	-10.92%
Fishtown	14,335	18,592	29.70%
Citywide	1,526,006	1,567,872	2.74%

Source: American Community Survey (2010 and 2016)

Figure 3.2: Population Change, 2010 to 2016

Source: U.S. Census Bureau (2010), American Community Survey (2010-2014)

The racial composition of the neighborhoods surrounding the study area also varies greatly. The percent white ranges from approximately 39 percent in Fairhill to over 80 percent in Fishtown. The percent African American is significantly lower in the study area and all the surrounding neighborhoods than in the City of Philadelphia as a whole. The percent Latino ranges from 13 percent in Fishtown to over 75 percent in Fairhill while the percent Asian ranges from less than one percent in Fairhill and Harrowgate to nearly 9 percent in Kensington.

Table 3.2: 2016 Racial Composition³

2016	Percent White	Percent African American	Percent Latino	Percent Asian
Study Area	65.3%	16.2%	27.1%	5.5%
Port Richmond	66.6%	21.5%	28.5%	2.1%
Kensington	79.2%	4.9%	15.9%	8.7%
Harrowgate	43.8%	30.4%	68.2%	0.7%
Fairhill	39.2%	22.4%	75.4%	0.4%
West Kensington	44.9%	17.5%	65.7%	4.9%
Fishtown	82.3%	9.9%	12.9%	5.1%
Citywide	41.6%	43.0%	14.0%	7.0%

Source: American Community Survey (2016)

Households

In most of the surrounding neighborhoods, the number of households has increased since 2010. The study area has seen the second largest increase in total households between 2010 and 2016 – second only to Fishtown. During this period, the number of households in the study area increased by 11.6 percent, while the total number of households in the City of Philadelphia increased by 1.4 percent.

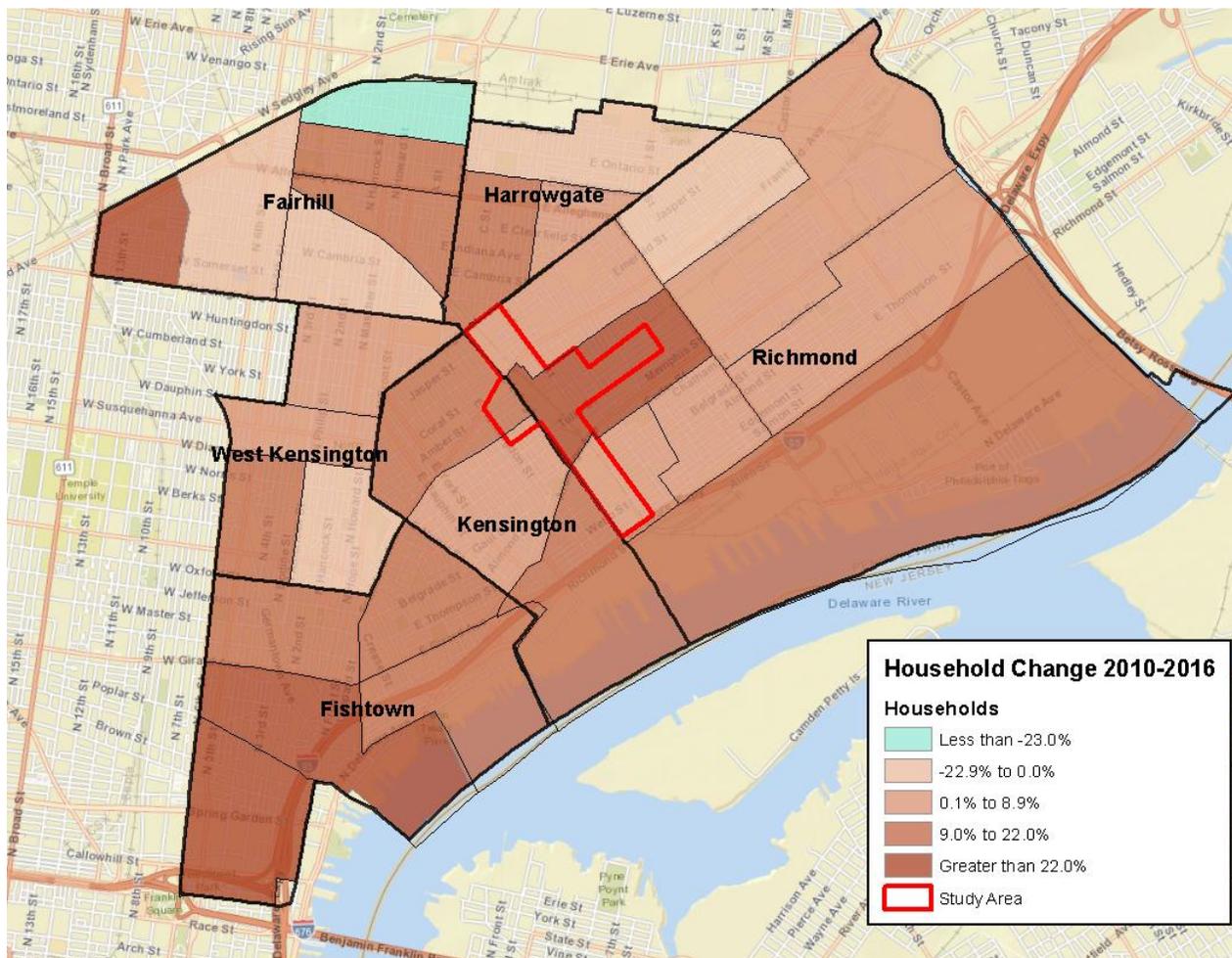
Table 3.3: 2010-2014 Household Trends

	2010 Households	2014 Households	Change in Households (%)
Study Area	9,027	10,070	11.6%
Port Richmond	13,056	14,029	7.5%
Kensington	4,442	4,817	8.4%
Harrowgate	4,870	5,090	4.5%
Fairhill	8,899	8,839	-0.7%
West Kensington	3,342	3,380	1.1%
Fishtown	6,681	8,219	23.0%
Citywide	574,488	582,594	1.4%

Source: American Community Survey (2010 and 2016)

³ Percentages for each neighborhood may sum to more than 100% due to overlap between the Latino category and other categories.

Figure 3.3: Neighborhood Household Change, 2010 to 2016



Source: U.S. Census Bureau (2010), American Community Survey (2010-2014)

Housing Occupancy

In the study area, there are 11,700 housing units, 86 percent of which are occupied and 14 percent of which are vacant. Of these occupied units, approximately 52 percent are owner occupied. In the surrounding neighborhoods, the portion of owner-occupied units ranged from 39 percent to 60 percent while the vacancy rate ranged from 11 percent to 21 percent.

Table 3.4: Housing Tenure 2016

	Study Area	Port Richmond	Kensington	Harrowgate	Fairhill	West Kensington	Fishtown	Citywide
Occupied Housing Units	10,068	13,327	4,817	5,090	8,839	3,380	8,219	577,144
Owner (%)	51.7%	58.7%	60.3%	39.2%	44.9%	43.8%	50.4%	52.5%
Renter (%)	48.3%	41.3%	39.7%	60.8%	55.1%	56.2%	49.6%	47.5%
Vacant Units	1,629	2,434	873	1,065	1,753	605	931	87,754
Percent Vacant	13.9%	18.3%	18.1%	20.9%	19.8%	17.9%	11.3%	13.2%
Total Housing Units	11,697	13,327	4,817	5,090	8,839	3,380	8,219	664,898

Source: American Community Survey (2016)

Income

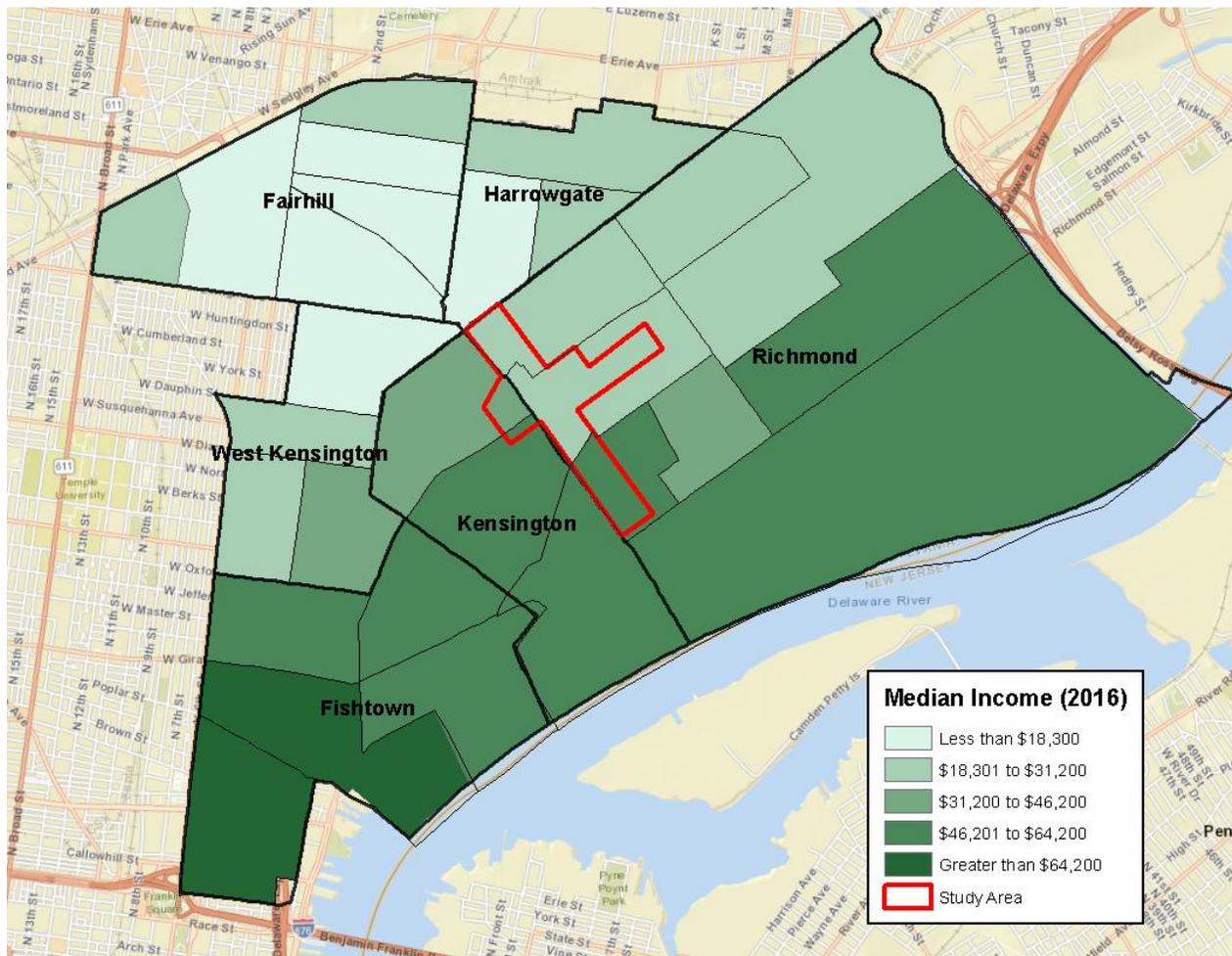
The median income in the surrounding neighborhood ranged from \$18,290 in Fairhill to \$71,240 in Fishtown while the median income within the study area falls in the middle at approximately \$40,970. The per capita income ranges from \$6,391 in Fairhill to \$40,350 in Fishtown. Again, the per capita income in the study area falls in the middle of the range at about \$16,200. Figure 2.5 above provides illustration of the income distribution within the surrounding neighborhoods.

Table 3.5: Household and Per-Capita Income

Study Area	Median Household Income 2016	Per-Capita Income 2016
Study Area	\$40,970	\$16,200
Port Richmond	\$36,315	\$13,997
Kensington	\$49,087	\$28,674
Harrowgate	\$21,543	\$6,391
Fairhill	\$18,286	\$6,961
West Kensington	\$35,327	\$9,217
Fishtown	\$71,240	\$40,347
Citywide	\$41,233	\$16,200

Source: American Community Survey (2016)

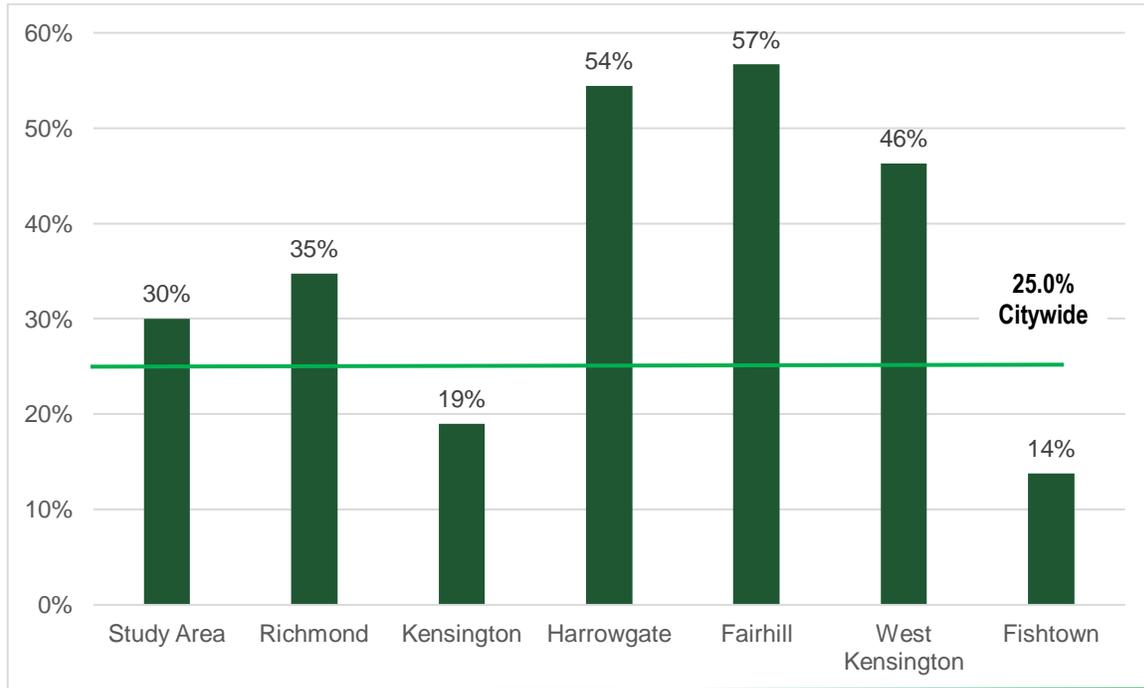
Figure 3.4: Median Household Income, 2016



Source: American Community Survey (2016)

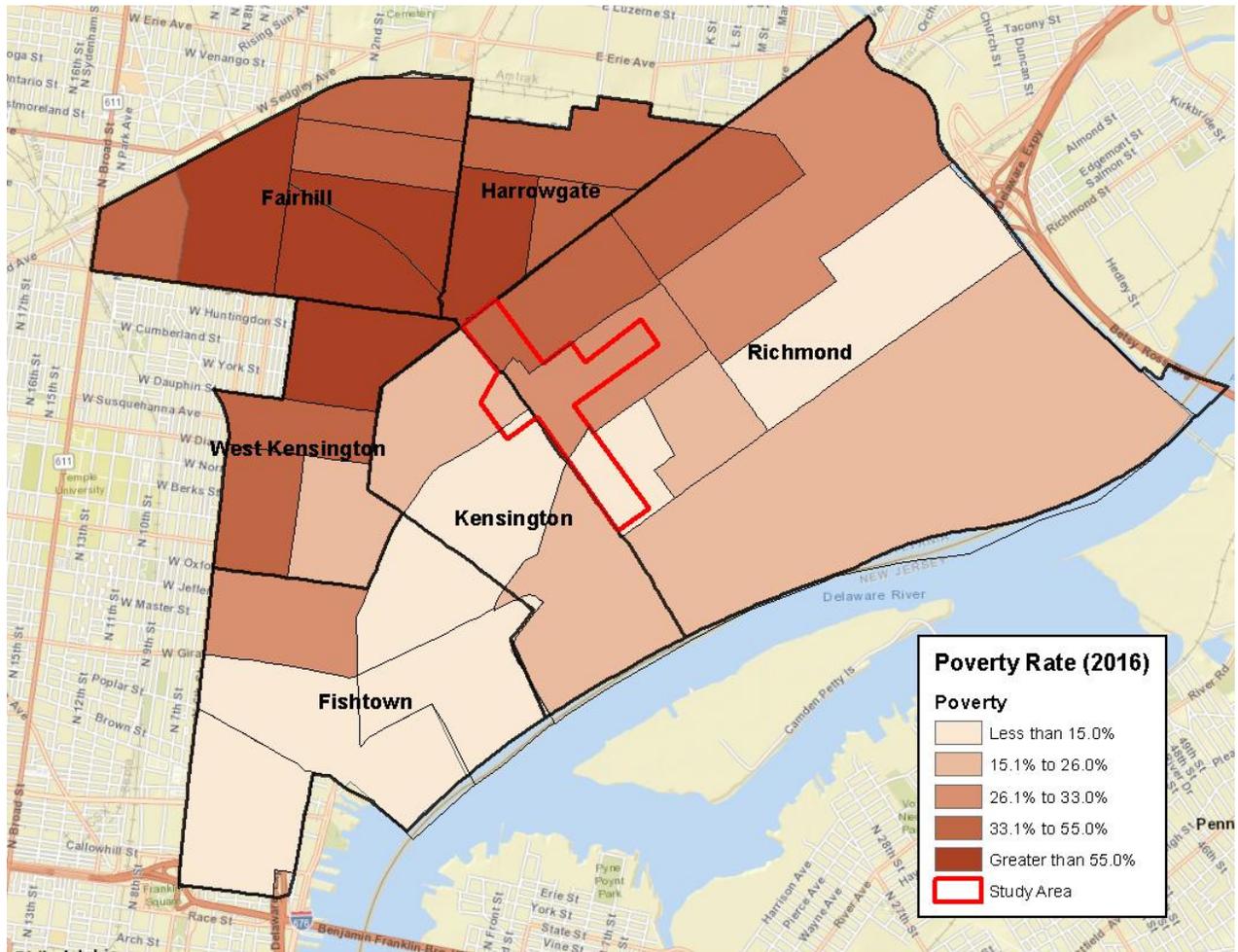
The percent of the population below the poverty level in the study area is 30 percent, higher than the City as a whole. Harrowgate and Fairhill have the highest poverty rates, where nearly 54 and 57 percent of the population, respectively, live below the poverty line, while Fishtown has the lowest poverty rate of the nearby neighborhoods at 14 percent, followed by Kensington at 19 percent.

Figure 3.5: Poverty Level 2014



Source: American Community Survey (2016)

Figure 3.6: Poverty Level 2016



Source: American Community Survey (2016)

Employment

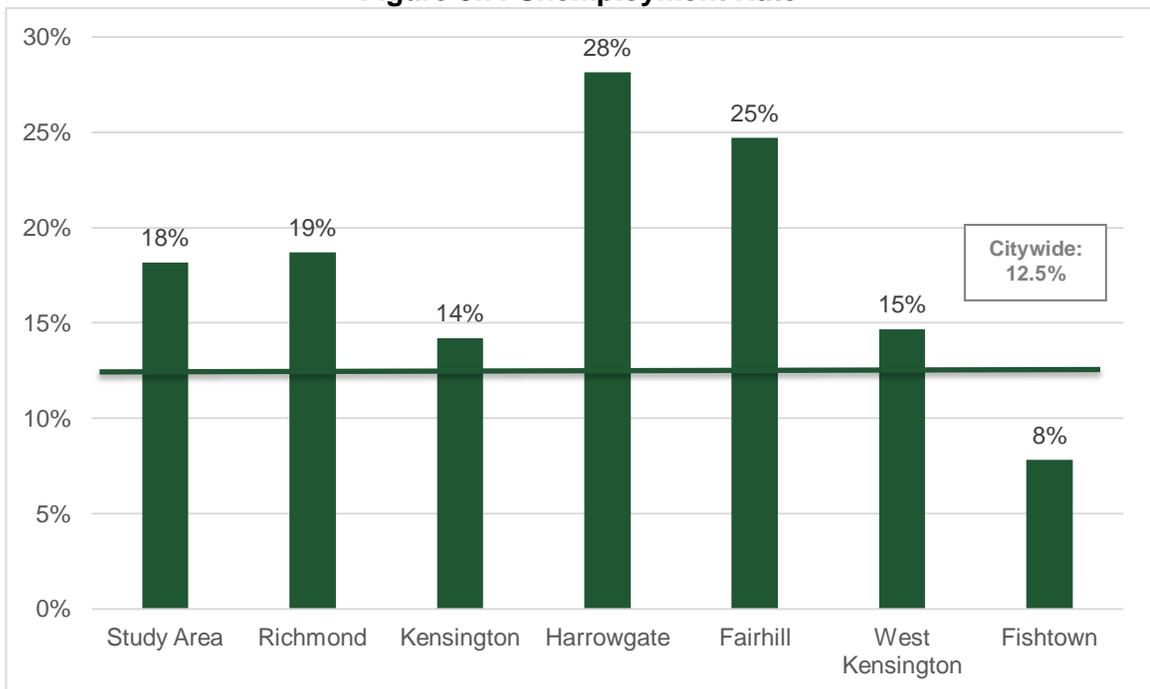
Of the over 14,130 individuals in the labor force within the study area, approximately 11,570 are employed which is equivalent to an 18.2 percent unemployment rate. This unemployment rate is far greater than that of the City and many of the nearby neighborhoods. The unemployment rate in the surrounding neighborhoods ranges from less than 9.0 percent in Fishtown to over 29 percent in Fairhill while the unemployment rate for the City as a whole is 12.5 percent.

Table 3.6: Employment Status

	Study Area	Richmond	Kensington	Harrowgate	Fairhill	West Kensington	Fishtown	Citywide
Working-age Population	22,275	29,763	9,764	12,943	19,783	15,012	15,012	1,251,243
Labor Force Participation Rate	63.5%	56.5%	63.7%	48.1%	42.3%	27.4%	74.1%	59%
In Labor Force	14,134	16,809	6,224	6,224	8,365	4,118	11,120	748,923
Employed	11,566	13,072	5,036	4,447	5,903	3,388	10,134	654,917
Unemployed	2,568	3,738	1,188	1,776	2,462	730	985	93,765
Unemployment Rate	18.2%	22.2%	19.1%	28.5%	29.4%	17.7%	8.9%	12.5%
Not in Labor Force	8,141	12,954	3,540	6,719	11,418	10,894	3,892	502,320

Source: American Community Survey (2016)

Figure 3.7: Unemployment Rate



Source: American Community Survey (2016)

4.0 REAL ESTATE CONDITIONS

4.1 OWNER-OCCUPIED

The study area's for-sale housing market was analyzed to identify trends in residential real estate and to determine the potential for new for-sale residential development. According to ESI's proprietary database of home sales, over the last five years (2013-2017) there were 2,695 residential transactions, an average of 539 per year within the Census Tracts that comprise the study area. The median sales price over the same period was \$133,589 and the average was \$112,500.

As illustrated in Table 4.1 and Figure 4.1, since 2000 the average and median sales and price-per-square foot has been increasing within the study area. According to ESI's Philadelphia Housing Index, the area's median sales price per square foot has increased 456% and since 2010, the median sales price per square foot has increased by 172%.

Table 4.1: Study Area Real Estate Transactions 2000-March 2018

Year	PHI Index	Transactions	Average Sales Price	Median Sales Price	Average Price per sqft	Median Price per sqft
2000	\$39,108	377	\$29,388	\$28,000	\$27	\$25
2001	\$41,143	446	\$30,662	\$28,700	\$28	\$27
2002	\$45,367	487	\$34,707	\$30,000	\$31	\$30
2003	\$52,383	598	\$38,682	\$34,250	\$35	\$33
2004	\$69,713	781	\$53,402	\$44,000	\$48	\$42
2005	\$91,330	877	\$68,290	\$54,000	\$63	\$52
2006	\$110,500	745	\$84,833	\$68,500	\$78	\$64
2007	\$110,984	713	\$87,618	\$70,000	\$78	\$66
2008	\$110,328	475	\$88,053	\$69,900	\$78	\$63
2009	\$113,362	413	\$94,799	\$72,900	\$82	\$71
2010	\$111,040	388	\$94,700	\$70,000	\$82	\$66
2011	\$101,112	387	\$87,124	\$63,500	\$73	\$60
2012	\$108,860	392	\$97,432	\$66,000	\$79	\$64
2013	\$125,697	477	\$107,675	\$79,900	\$95	\$75
2014	\$128,279	487	\$112,761	\$85,000	\$98	\$81
2015	\$148,448	567	\$140,870	\$112,500	\$114	\$98
2016	\$170,659	483	\$142,877	\$125,000	\$129	\$112
2017	\$191,534	681	\$163,763	\$140,000	\$144	\$130
2018 ⁴	\$196,098	103	\$157,479	\$135,000	\$147	\$114

Source: City of Philadelphia Department of Records (2018)

⁴The 2018 data is through the end of March.

Figure 4.1: Study Area Median Sales Price 2000-2017

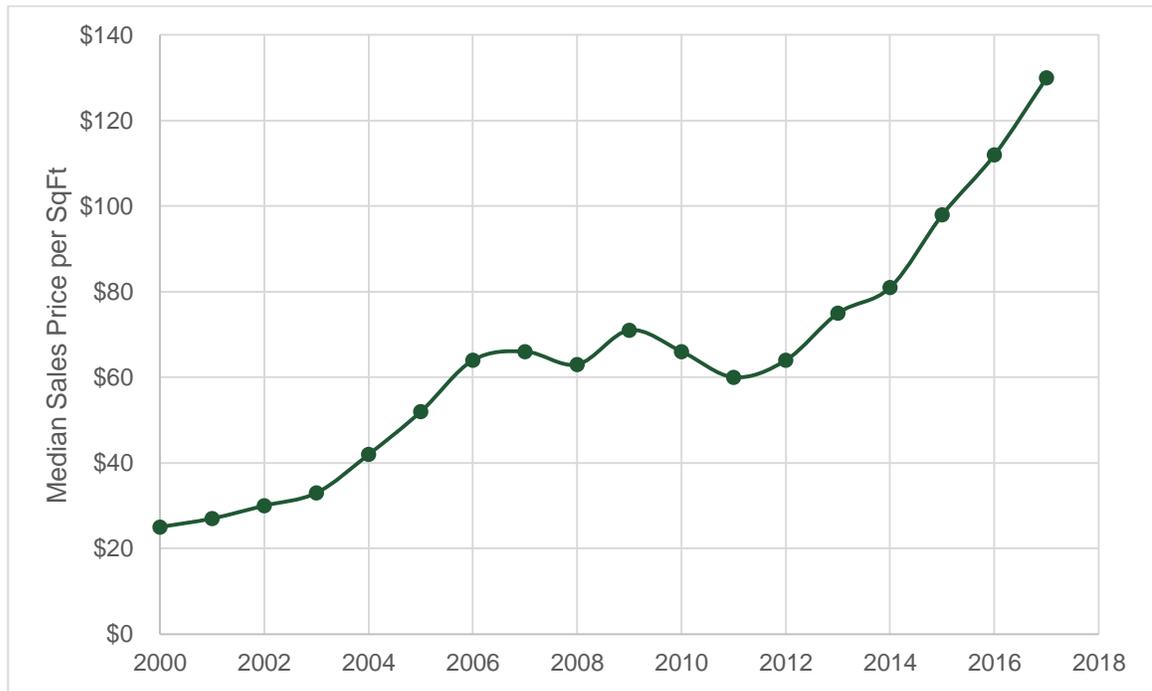
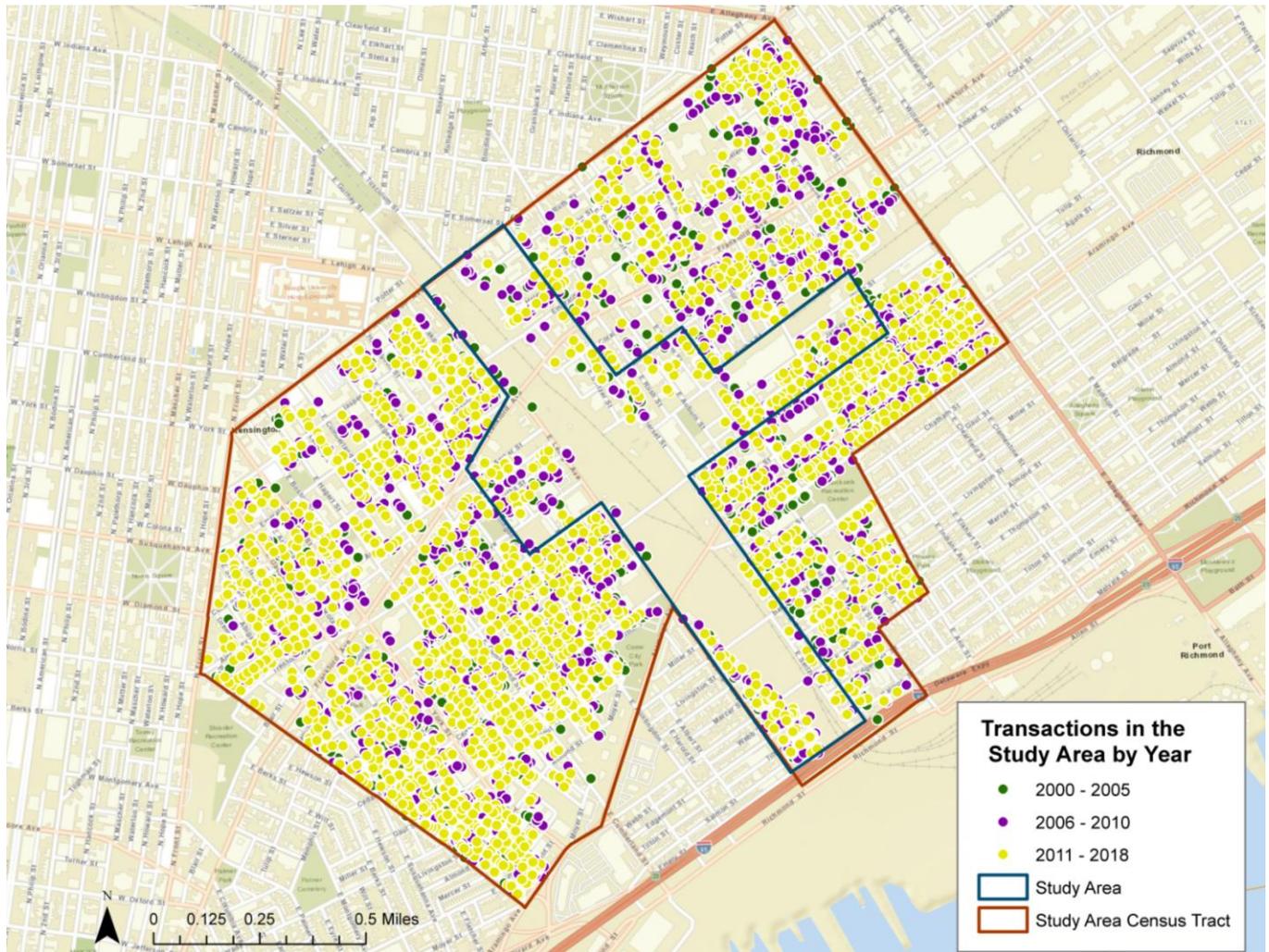


Figure 4.2 illustrates the location and distribution of real estate transactions over time for the Census Tracts that comprise the study area.

Figure 4.2: Study Area Residential Transactions 2000-2018

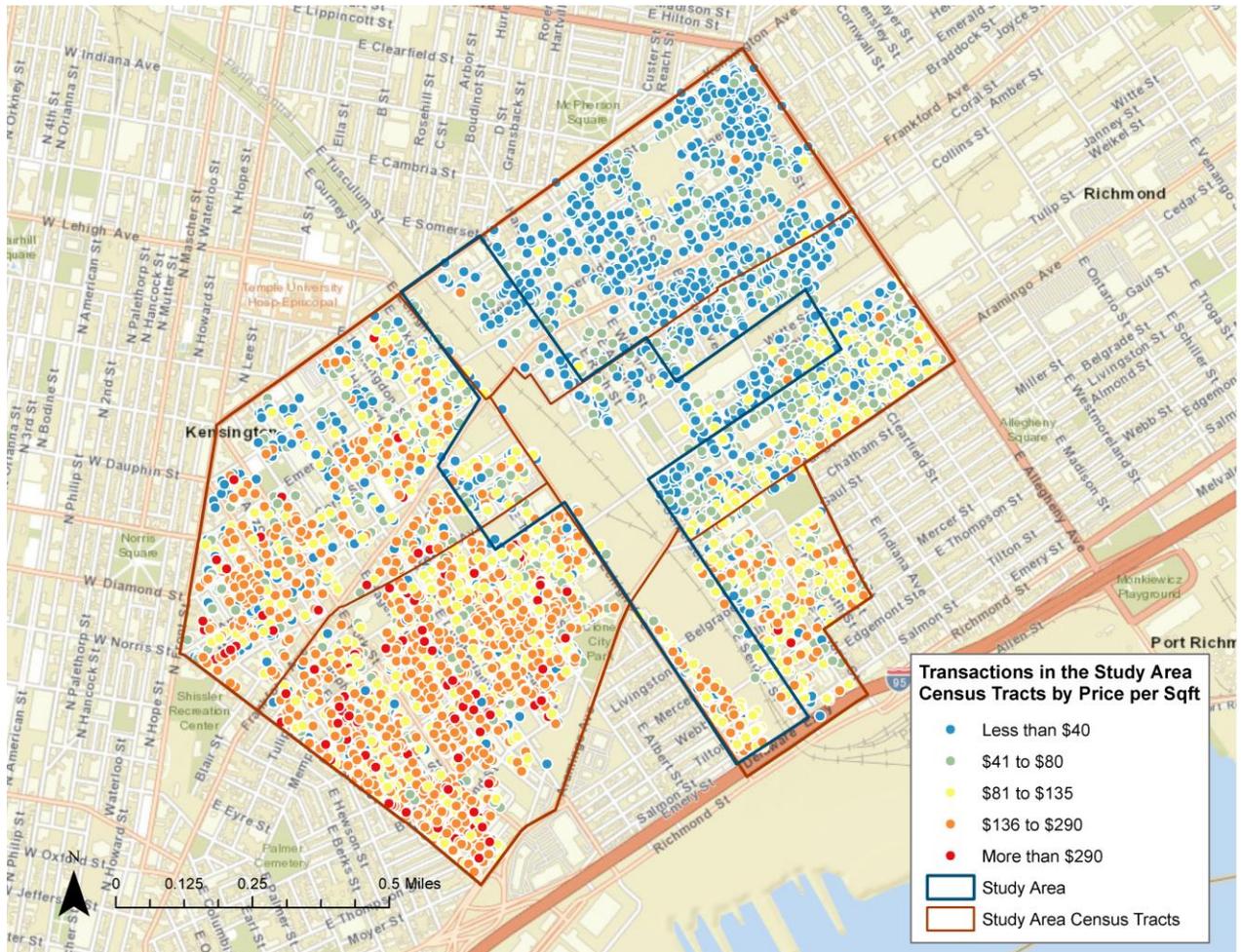


Source: City of Philadelphia Department of Records (2018)

The portions of the study area that border Kensington have tended to have the highest selling prices, on a per-square foot basis, while the lower valued parcels tend to be found in the northern portion of the study area (Figure 4.3). This could be an indication that the development pressure that Fishtown and Kensington have experienced over the last several years is slowly moving towards, and into, the project area.

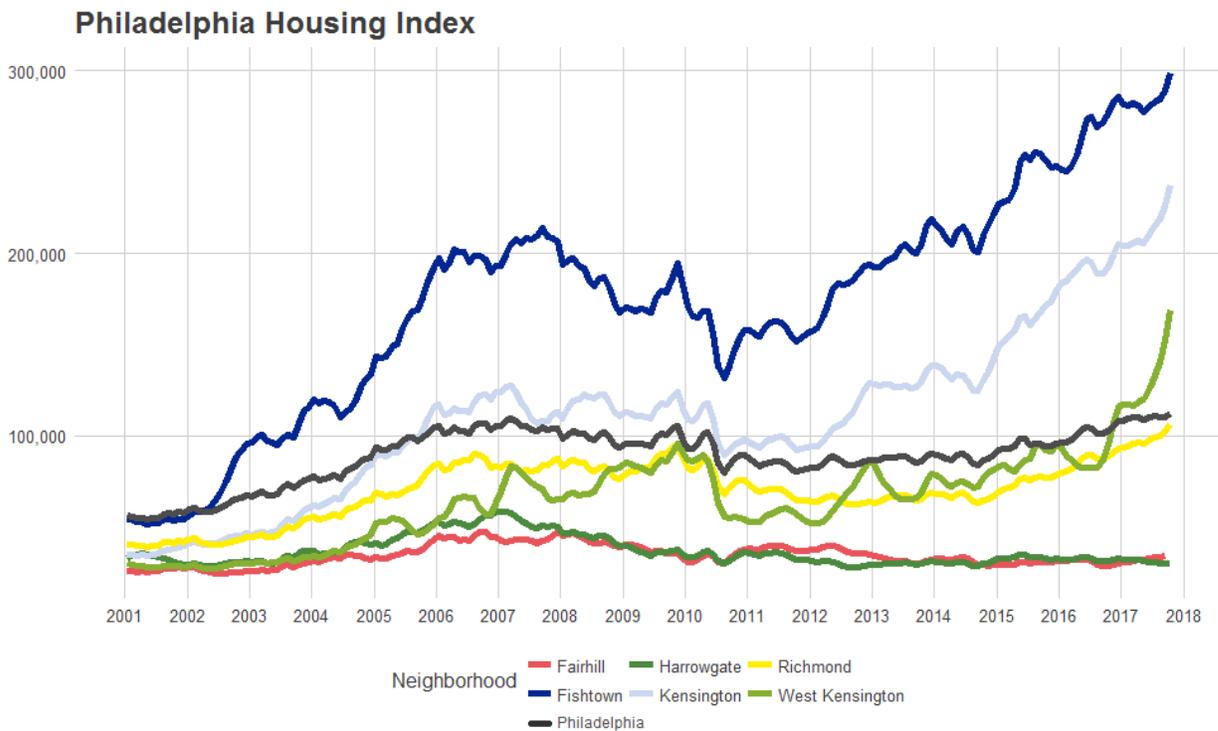
The median price per square foot over the 2000 to 2018 period in the neighborhoods south of Lehigh Avenue has ranged from \$64 per square foot in West Kensington, to \$125 in Kensington, to \$186 in Fishtown. North of Lehigh Avenue the median price per square foot has ranged from \$19 in Harrowgate to \$20 in Fairhill, to \$58 in Port Richmond (Table 4.2). The higher values south of Lehigh Avenue is also illustrated in Figure 4.4, where the neighborhoods that are south of Lehigh Avenue have exhibited greater price appreciation than those neighborhoods north of Lehigh Avenue.

Figure 4.3: Study Area Price per Square Foot - 2000-2018



Source: City of Philadelphia Department of Records (2018)

Figure 4.4: House Price Index 2000-2018



Source: City of Philadelphia Department of Records (2018) and Econsult Solutions, Inc. (2018)

The study area’s real estate market has also been underperforming compared to Kensington and Fishtown in terms of median sales price and median price per-square foot. However, as illustrated in the data in Table 4.1, the real estate market in the study area has been improving.

The median sales price over 2010 to 2018 period in the study area was \$93,000, compared to \$146,000 in Kensington, the neighborhood that borders the study area to the south. In Fishtown the median sales price is around twice the median price in the study area. The median price per square foot in the study area is \$85, which is significantly lower than \$125 in Kensington and \$186 in Fishtown.

Table 4.2: Recent Residential Transactions – 2010 to March 2018

	Study Area	Richmond	Kensington	Harrowgate	Fairhill	West Kensington	Fishtown
Transactions	3,965	4,045	2,786	1,185	1,035	542	2,432
Average Sales Price	\$123,974	\$75,047	\$160,013	\$26,359	\$30,529	\$98,122	\$267,607
Median Sales Price	\$93,000	\$60,000	\$146,700	\$20,800	\$21,000	\$70,000	\$245,000
Average Price per Square Foot	\$107	\$71	\$137	\$24	\$26	\$77	\$181
Median Price per Square Foot	\$85	\$58	\$125	\$19	\$20	\$64	\$186
Transaction Greater than \$175 per Square Foot	820	165	848	-	-	36	1,347

Source: City of Philadelphia Department of Records (2018)

In Philadelphia, market-rate housing developers require a selling price of at least \$175 per square foot in order to make a profit and for development to occur.⁵ If sale prices in a neighborhood are typically below that threshold, developers will tend to look elsewhere or will require a subsidy in order to develop. Over the 2010 to March 2018 period, there have only been 820 sales (21 percent of transactions) within the study area that have sold for more than the \$175 per square foot threshold (Table 4.2). While, in Kingston and Fishtown, 30 and 55 percent of the transactions have been for more than \$175 per square foot. This helps explain the significant new construction that has been occurring in these neighborhoods.

Based on Figure 4.3 Table 4.1, it appears that development has steadily moved from Fishtown up through Kensington and is starting to make its way into the study area. Given the abundance of vacant land in the study area, the study area appears to be the next logical place for development to occur.

The existing housing stock in the study area is very old. According to City's Office of Property Assessment data, there are approximately 10,400 residential parcels within the study area. Only 510 parcels have been built from 2010 until today. All told, approximately six percent of the residential parcels in the study area have been developed since 2000, while in the Kensington and Fishtown neighborhoods, 11 and 33 percent of the parcels have been developed since 2000.

The market value of residential properties in the study area is significantly below the market value, in both average and median terms, compared to Kensington and Fishtown.

⁵ According to data from the Office of Property Assessment, 88 percent of the new units built within the study area (see Figure 4.3) since 2013, have had a selling price of more than \$175 per square foot, with the mean selling price of newly constructed units being \$197.

Table 4.3: Residential Property Data

	Study Area	Richmond	Kensington	Harrowgate	Fairhill	West Kensington	Fishtown
Number of Residential Parcels	10,371	13,446	5,900	5,365	8,731	3,001	8,021
Average Year Built	1910	1922	1898	1926	1927	1921	1938
Number of Units Built Since 2000	634	269	632	4	87	182	2,651
Number of Units Built Since 2010	510	85	512	2	56	114	1,485
Median Market Value	\$117,800	\$85,200	\$162,600	\$35,800	\$39,100	\$110,300	\$300,000
Average Market Value	\$134,297	\$93,673	\$188,224	\$37,392	\$39,574	\$119,819	\$344,155
Minimum Market Value	\$0	\$0	\$1,400	\$6,100	\$3,700	\$5,000	\$9,900
Maximum Market Value	\$650,000	\$454,500	\$650,000	\$239,700	\$216,000	\$863,100	\$2,895,100
Aggregate Market Value (\$Billion)	\$1.39	\$1.26	\$1.11	\$0.20	\$0.35	\$0.36	\$2.76

Source: City of Philadelphia Office of Property Assessments (2019)

4.2 RENTER OCCUPIED

According to data from the 2016 American Community Survey, rental housing represented 46 percent of the housing market in the study area. Ninety-seven percent of the rental units were built before 1980, compared to 85 percent for the city as whole.

Table 4.4: Renter Occupied Structures Year Built

	Study Area	City of Philadelphia
Built 2014 or Later	1%	0%
Built 2010 to 2013	1%	1%
Built 2000 to 2009	1%	4%
Built 1980 to 1999	9%	10%
Built 1960 to 1979	10%	21%
Built 1940 to 1959	19%	28%
Built 1939 or earlier	59%	36%

Source: American Community Survey (2012-20016)

Renter-occupied units in the study area tend to be in smaller structures than the City as a whole. Over 94 percent of the renter-occupied units are located in structures that have fewer than 5 units

and only 3 percent of structures have more than 10 units. Citywide, only 67 percent of rental units are in structures with less than 5 units.

Table 4.5: Number of Units in Renter-Occupied Structures

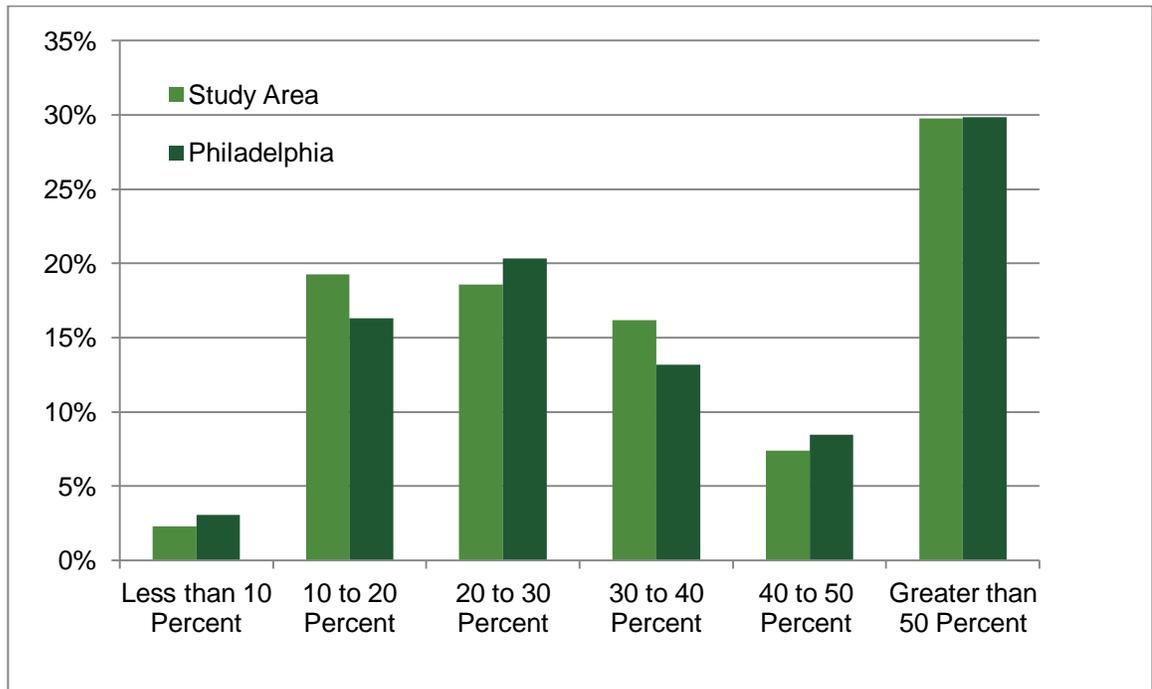
	Study Area ⁶	City of Philadelphia
1 unit, detached	4%	3%
1 unit, attached	67%	38%
2	10%	14%
3 or 4	13%	11%
5 to 9	3%	7%
10 or more	3%	26%
Mobile Home, RV, or Boat	0%	0%

Source: American Community Survey (2012-2016)

The average median rent across the Tracts that comprise the study area is \$896 per month. A house or apartment is considered affordable if the resident has to spend 30 percent or less of their income on housing costs. In the study area, nearly 57 percent of the households spend more than 30 percent of their income on housing costs, including nearly 30 percent that spend more than 50 percent of their income. Citywide, 51 percent of households pay more than 30% of their income on rent.

⁶ The study area is defined as Census Tracts 160, 161, 178, 179, and 180.01.



Figure 4.5: Housing Costs as a Percent of Household Income

Source: American Community Survey (2016)

The large percentage of households in the study area that are spending more than 30 percent, and in most cases more than 50 percent of their income on rent, indicates that there is a lack of affordable housing in the study area. The proximity of the study area to various Market-Frankford line stops suggests that rental housing could be an attractive use.

4.3 RECENT PROJECTS

The study area and the surrounding neighborhoods in the River Wards district of Philadelphia has seen a sharp rise in community development over the past two years. While Fishtown and Kensington have been major targets for new construction, developers have been looking to the neighboring communities to carry out their plans for the riverfront. The city has been working hard to transform this industrial neighborhood into a more community-focused area. Thus, projects such as the Greenway Trail and Gateway Reconstruction are underway. The Greenway Trail aims to make the Delaware Riverfront much like that of the Schuylkill River but with greater connection to the nearby communities. In addition to the projects, the city is reconstructing I-95 and nearby streets which will help clear the traffic congestion caused by the trucks that come for all the industrial companies.

A number of residential developments have popped up in and around the study area, mostly in Kensington thanks to the New Kensington Community Development Corporation. There are currently several projects either underway or recently completed within the study area. The Women's Community Redevelopment Project completed construction of Grace Townhomes, a

36-unit affordable housing development at 2201 E. Auburn St. The Orinoka Civic House completed construction of 51 low to middle-income housing units. The Kensington Food Coop also completed construction in 2018. Currently, a project on 2621 Frankford Avenue is under construction and expected to add an additional 178 market rate units and 20,000 square feet of commercial and retail space. Project Home has a project under proposal at 1920 Lehigh Avenue, set to bring an additional 57 affordable housing units.

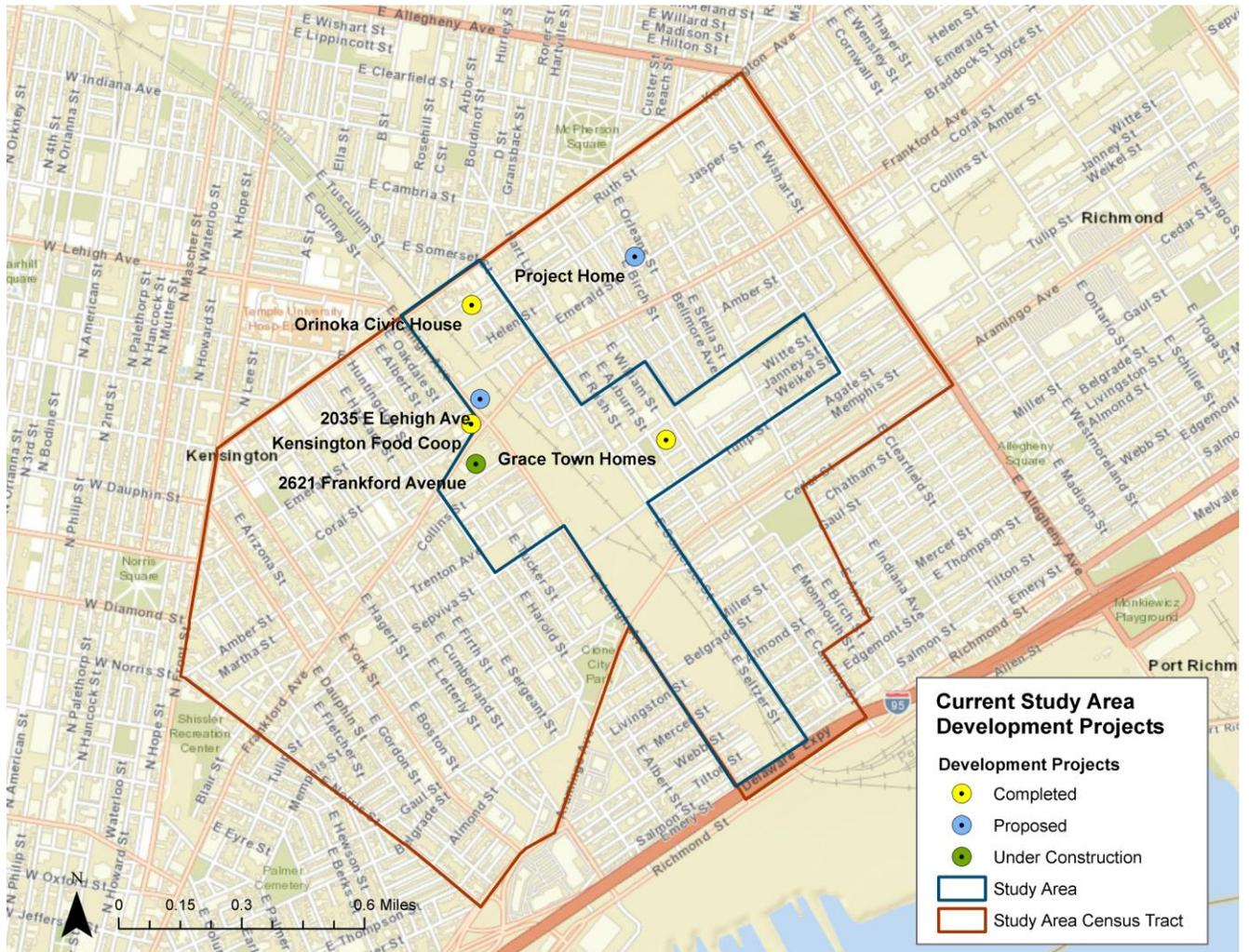
Table 4.7: Select Recent and Current Development Projects

Project	Location	Details	Status
Orinoka Civic House	2753 Ruth Street	51 single and two-bedroom, low- to middle-income units	Completed
Grace Townhomes	2201 E. Auburn Street	36 affordable townhomes	Completed
Kensington Food Coop	2666 Coral Street	Member owned cooperative grocery store	Completed
2621 Frankford Avenue	2621 Frankford Avenue	Three 4-story market-rate apartment buildings. 178 units and 20,000 square feet of retail space	Under construction
Project Home	1920 E. Orleans Street	57 affordable apartments	Proposed
2035 East Lehigh Avenue	2035 Lehigh Avenue	60 single family units, 12 two family units. 71 multifamily units. and 4 commercial units	Proposed

Source: Philadelphia Magazine (2015), PlanPhilly.com (2016), NakedPhilly.com (2016)

The surrounding neighborhoods of Fishtown, Kensington and the rest of Richmond have seen a significant amount of recent residential development. A number of former mills have been redeveloped in Kensington, mostly for housing and some retail and commercial space. Many new trendy locations have opened up in Fishtown including the popular La Colombe café, an affordable housing complex called “Awesometown” and an artists’ housing building called Coral Street Arts House.

Figure 4.6: Select Recent and Current Projects

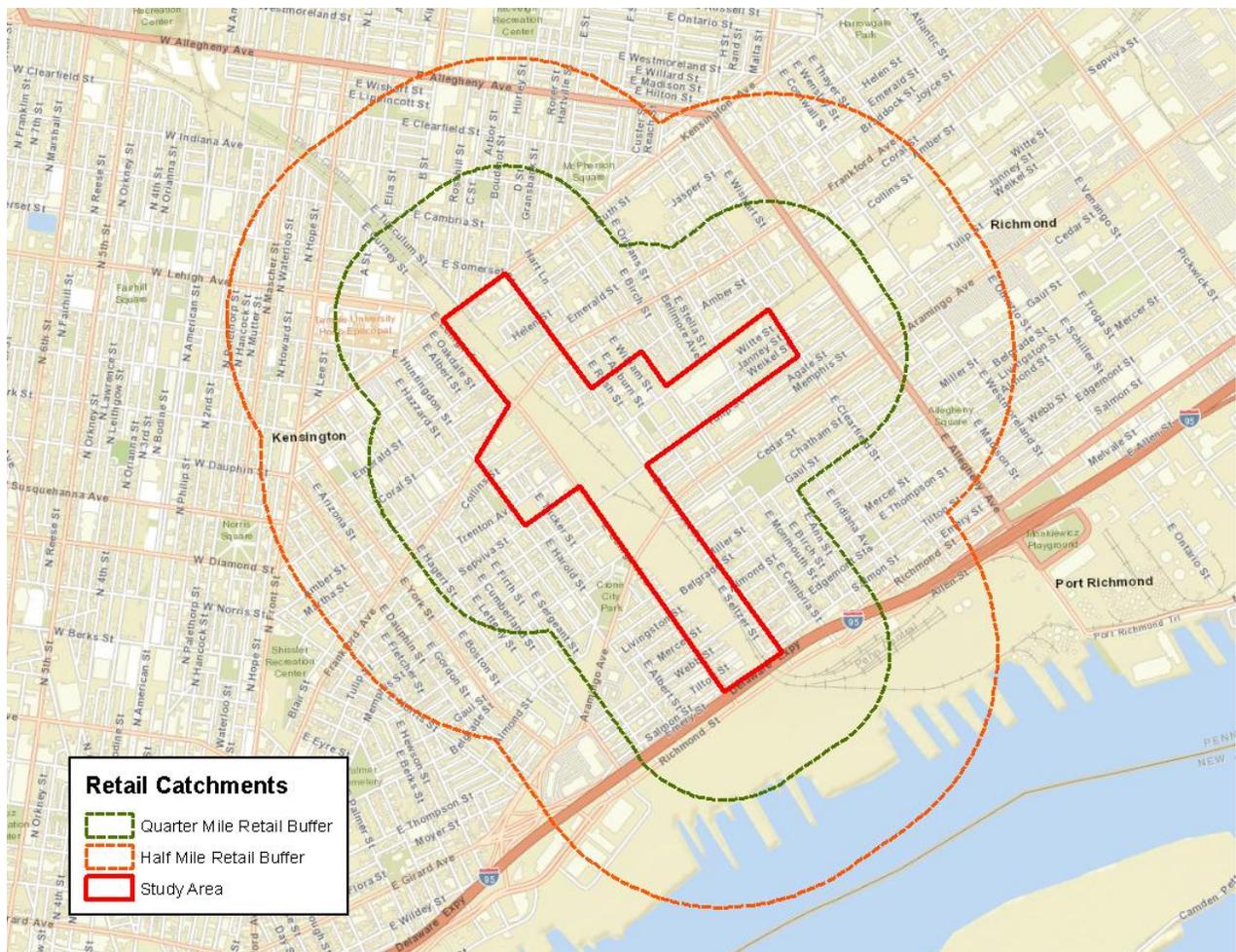


Source: Philadelphia Magazine (2015), PlanPhilly.com (2016), NakedPhilly.com (2016)

5.0 RETAIL MARKET

The first step in understanding the potential for retail uses within the study area is to determine the likely trade area that would be served by retail within the study area. For the purposes of this analysis, we focus on three areas. The first is the study area itself, this will help us understand how much retail demand will come from the residents living in the study area and how much retail currently exists within the study area. The second area is within one-quarter mile from the borders of the study area and the third area is within one-half mile from the borders of the study area. These distances were selected to represent walking distances from the study area.

Figure 5.1: Retail Catchments



ESI (2018)

We used data from ESRI's Business Analyst's Retail Market Place Profile to characterize the existing retail supply and demand. Specifically, we looked at the following:

- **Supply (Retail Sales):** estimates of sales to consumers by establishments. Note that sales to businesses are excluded.
- **Demand (Retail Potential):** estimates the expected amount of money spent by consumers at retail establishments.
- **Leakage/Surplus Factor:** represents a "snapshot" of retail opportunity. Overall, this is a metric of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). If the factor is positive, there is a "leakage" of retail opportunity outside the trade area. A negative factor represents a surplus of retail sales, when customers are drawn in from outside the trade area.
- **Retail Gap:** represents the difference between Retail Potential and Retail Sales. A positive Retail Gap represents a retail opportunity.
- **Market Potential Index (MPI):** measures the relative likelihood of the households in the trade area to exhibit certain consumer behavior compared to the US average. An MPI of 100 represents the US average. A score above 100 is greater than national average and, inversely, a score below 100 is less than national average.

For the purpose of this analysis, we focus on the following retail categories:

- Groceries
- Health and Beauty
- House and Home
- Sports and Leisure
- Apparel and Jewelry
- General Merchandise
- Restaurants

Table 5.1: Retail Market Place Profile

	Demand	Supply	Retail Gap	Surplus/Leakage Factor	Number of Stores
Study Area					
Groceries	\$3,340,692	\$3,358,837	-\$18,145	-0.3	3
Health and Beauty	\$1,138,744	\$0	\$1,138,744	100	0
House and Home	\$646,366	\$798,303	-\$151,937	-10.5	2
Sports and Leisure	\$559,639	\$195,847	\$363,792	48.2	1
Apparel and Jewelry	\$1,108,353	\$0	\$1,108,353	100	0
Restaurants	\$1,976,075	\$989,663	\$986,412	33.3	6
Quarter Mile					
Groceries	\$33,456,210	\$26,412,675	\$7,043,535	11.8	23
Health and Beauty	\$11,543,757	\$12,599,271	-\$1,055,514	-4.4	9
House and Home	\$6,581,990	\$3,107,810	\$3,474,180	35.9	5
Sports and Leisure	\$5,618,554	\$5,208,666	\$409,888	3.8	5
Apparel and Jewelry	\$11,037,876	\$4,305,874	\$6,732,002	43.9	5
Restaurants	\$19,884,015	\$21,198,009	-\$1,313,994	-3.2	58
Half Mile					
Groceries	\$63,866,489	\$71,975,464	-\$8,108,975	-6	52
Health and Beauty	\$22,097,347	\$58,437,240	-\$36,339,893	-45.1	29
House and Home	\$12,567,533	\$7,115,338	\$5,452,195	27.7	10
Sports and Leisure	\$10,738,885	\$14,656,887	-\$3,918,002	-15.4	12
Apparel and Jewelry	\$21,135,109	\$15,835,428	\$5,299,681	14.3	22
Restaurants	\$38,024,041	\$50,121,480	-\$12,097,439	-13.7	134

Source: ESRI Business Analyst (2018)

As illustrated by the store counts in Table 5.1 there is relatively little retail within the study area itself. The study area contains three grocery stores, two house and home retailers, one sports and leisure retailers and six restaurants. The study area does not currently have any health and beauty retailers and apparel and jewelry stores. Based on the data in Table 5.1 there is leakage across most of the key retail categories.

Consumer shopping patterns vary depending on the type of goods being purchased. For goods that are purchased frequently, such as groceries, health and beauty, and restaurants, consumers typically make purchases close to where they live. For larger, less frequent purchases, individuals are typically willing to travel further. For the purposes of this analysis, we examined the retail supply and demand within a quarter mile and half mile of the study area (Figure 5.1).

Within a quarter mile, there is leakage across the key retail categories, save for health and beauty and restaurants. However, while the data does suggest that there is an oversupply of health and

beauty retail and restaurants, the oversupply is very small. Within a half mile of the study area, there appears to be an oversupply across most of the key retail categories, except for house and home and apparel retailers.

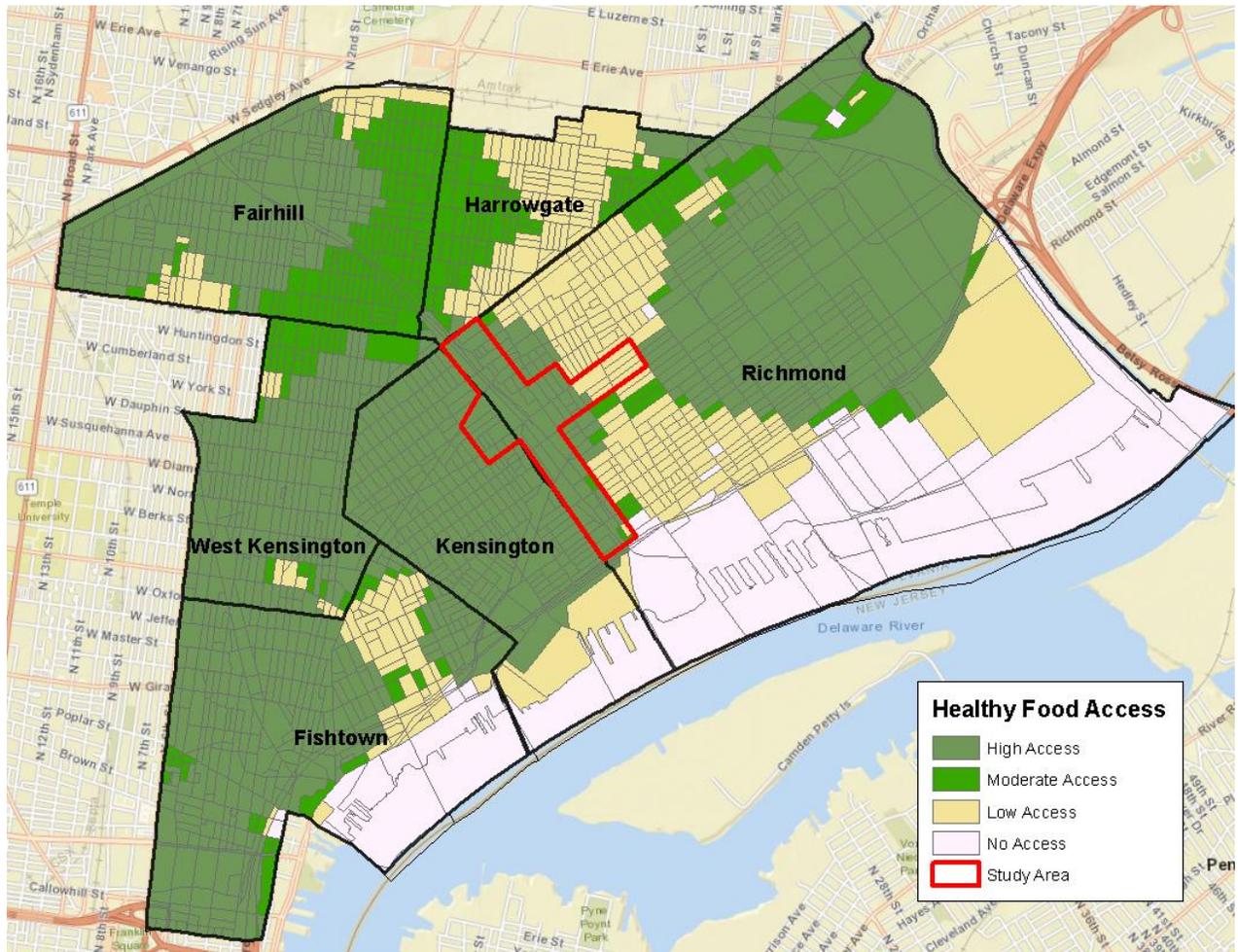
It is important to note that there is a significant amount of development that is either under construction or in the planning stages, as this development is completed, the population of the study area will increase as will the demand across all of the key retail categories. The retail demand that will be generated by these new residents are not reflected in the retail demand data in Table 5.1. As such, the retail gap represents an underestimate of the true retail gap. This suggests that as development occurs, both within the study area and in nearby neighborhoods, there will be the need for additional retail.

In addition to looking at retail supply and demand data from ESRI Business analyst data, we also examined data from the City of Philadelphia on walkable access to healthy food (Figures 5.2 and 5.3). The analysis, at the Census Block level, found that 68 percent of the population currently living in the study area has high access to fresh food, 4 percent had moderate access and 28 percent has low access to fresh food. Within the nearby neighborhoods, 57 percent of the population has high access to fresh food, 17 percent have moderate and 24 percent have low access. This suggests that there are areas within the study area that currently lack access to fresh food and those areas are contiguous with areas in nearby neighborhoods that also lack easy access to fresh food. Locations within the study area might be able to fill the gap and provide walkable access to fresh food to neighborhoods that are currently lacking access.

Figure 5.2: Study Area Health Food Access



Figure 5.3: Nearby Neighborhood Health Food Access



Source: City of Philadelphia (2018)



6.0 INDUSTRIAL MARKET

In 2010, the Philadelphia Industrial Development Corporation (PIDC) released the *Philadelphia Industrial Market and Land Use Strategy*. The purpose of the report was to “expand and retain industry in the City, protect employment opportunities and tax revenues, and rationalize the city’s supply of industrially-zoned land to meet the future needs of the Philadelphia business.”

The report found that there is a fundamental supply and demand mismatch between much of Philadelphia’s older industrial buildings and the needs and requirements of modern industrial uses. As such, many existing industrial parcels are more suitable to a transition to other uses than for modern industrial uses.

The report classified industrial properties into two general types. A large number of small, close-in sites, and a limited number of larger sites located around the periphery of the City. The report also found that many areas in the City’s industrial districts, the study area included, are characterized by small sites located in dense mixed-use neighborhoods, the presence of structurally and functionally-obsolete industrial-loft buildings, and a lack of efficient highway access. Within these areas, industrial activity is often weak and is not likely to strengthen, given the requirements of modern users. This accurately describes the study area.

The industrial parcels in the study area and the five catalyst sites in particular, represent the types of industrial sites that should be transitioned to other uses. The sites are small in size (according to modern standards), have poor site configurations, contain obsolete facilities, and are located in relative isolation from other nearby industrial uses and transportation infrastructure.

As such, the likelihood of securing a heavy industrial user for one of the catalyst sites is small. In addition, the *Philadelphia Industrial Market and Land Use Strategy* recommended that the study area be rezoned from industrial uses as part of the City’s ongoing comprehensive planning process.

Therefore, the catalyst sites are likely not potential candidates for heavy industrial uses. Other non-industrial uses should be considered for the site. While some of the catalyst sites are not attractive for modern industrial uses, a few of the parcels contain functional industrial buildings that may be attractive for adaptive reuse, such as artist/makerspaces. Another potential use for some of the former industrial parcels might be as e-commerce distribution centers.

7.0 CATALYST SITES

The large concentration of brownfields and former industrial sites in the study area hinders private redevelopment of the study area. The project team, in conjunction with the community, identified five potential catalyst sites that, if successful, could help spur additional private development.

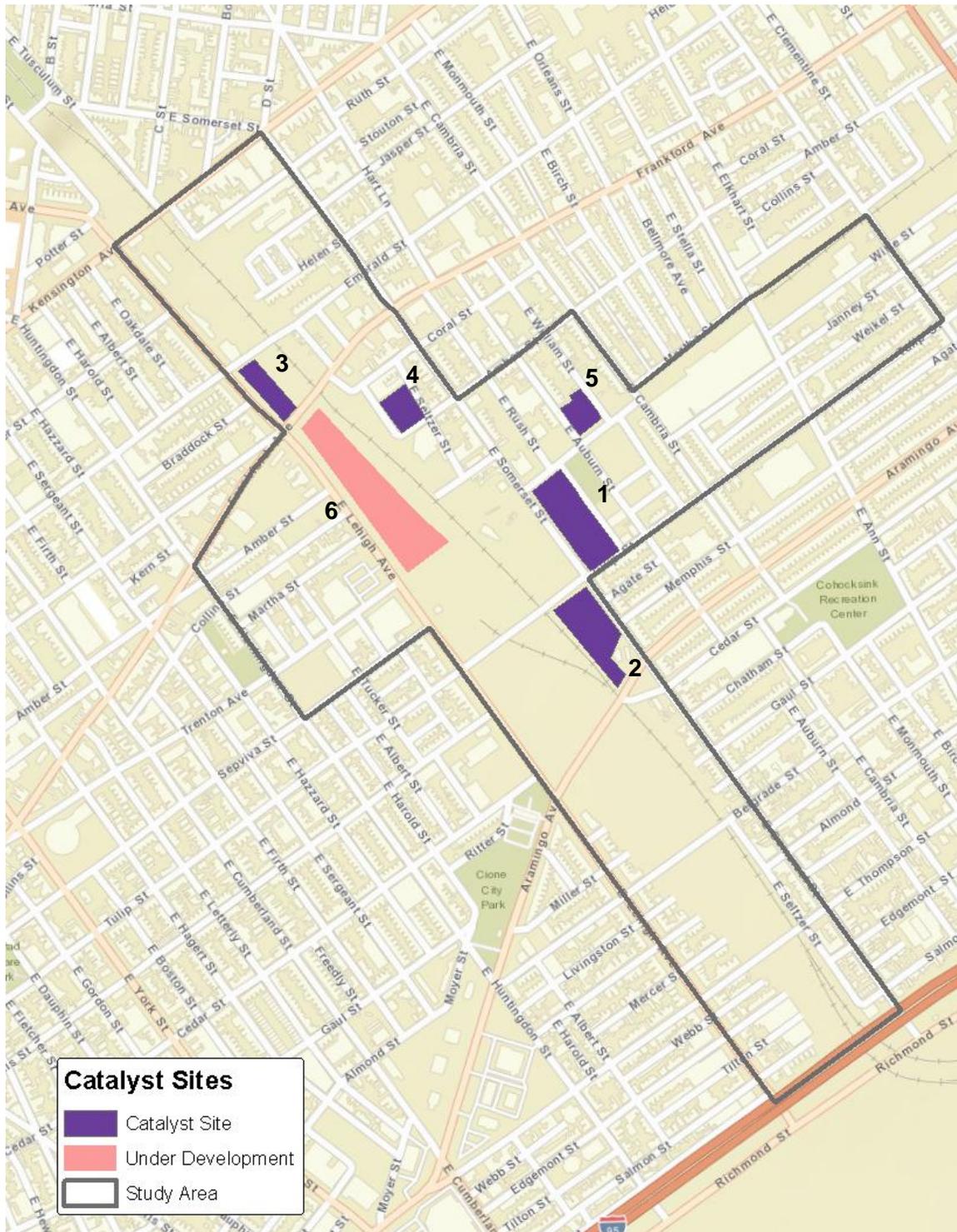
The study area once contained a large number thriving industrial sites. As such, the neighborhood likely has sufficient electrical, natural gas, water and sewer service to support new development. In addition, the large number of vacant and underutilized parcels in the study area likely means that there is sufficient excess capacity to support new development. However, one potential issue is the age of the infrastructure. Most of the parcels were developed long ago and there has been little new development in recent years within the study area. As such, the infrastructure is likely to be old and has not been replaced recently. However, this situation is not uncommon in many of the Philadelphia's older neighborhoods, and it is in these older neighborhoods where much of the recent redevelopment is occurring.

The study area is served by Comcast and Verizon's Fios network.

A potential issue that may hinder the development of the larger brownfield parcels within the study is the requirement that all development projects that disturb more than 15,000 square feet of earth to manage their stormwater on site. The soil at many of the former industrial sites is likely contaminated, which may impact the types of stormwater infrastructure that may be used. It is likely that the contamination will preclude the use of less-costly infiltrating practices and will require the use of more expensive stormwater management practices. This will likely impact the financial feasibility of developing many of the sites within the study area, the catalyst sites included.

In the remainder of this section, we discuss each of the catalyst sites in turn.

Figure 7.1: Location of Catalyst Sites



Site 1: Trenton and Somerset

This site includes a massive warehouse building that is currently underutilized. The site formerly housed a metal and wool manufacturer and is located directly across the street from an active metal scrap yard. Due to the scale of the property and its location, redevelopment of this parcel has the potential to change the tide of the neighborhood.

The site was recently rezoned to IRMX (Industrial Residential Mixed-Use) from I2. The IRMX district is primarily intended to accommodate a mix of very low-impact industrial uses, including artists and artisan industrial, and residential and neighborhood-oriented commercial uses.

Site 2: Somerset and Aramingo

This site is located at the intersection of Aramingo Avenue and Somerset Street and is currently owned by Conrail. The parcel was previously owned by the Reading Railroad and is currently vacant and consists of overgrown trees and shrubs. One corner of the site is home to a Sunoco gas station.

The property was recently rezoned to I2 (medium industrial) from CA-1. The I-2 district is primarily intended to accommodate light industrial uses, moderate-impact uses, and employment activities such as manufacturing, distribution, processing, industrial parks, and other activities that may generate noise, odor, vibration, after hours' activities, or traffic impacts well beyond the subject property lines.

Site 3: Lehigh and Frankford

The parcel is located at a key intersection in the neighborhood. The site is located across Frankford Avenue from catalyst site 6. It is near a dense and active housing market and is probably the most developable of the catalyst sites.

The site was recently rezoned to ICMX (industrial commercial mixed use) from I2. The ICMX district is primarily intended to accommodate commercial and low-impact industrial uses. The district may serve as a buffer between industrial districts and commercial and residential districts.

Site 4: Amber and Seltzer

The site is a scrap metal yard that has been the focus of numerous community complaints of alleged noxious and illegal uses. It formerly housed a yarn and dye company in 1942 and 1962 and has recently been listed for sale.

The site was recently rezoned to RSA-5 (from I2) which allows attached and semi-detached houses on individual lots. The RSA districts are intended to act as a transition between higher-density residential multifamily zones and low-density single family detached districts.

Site 5: Trenton and Auburn

The site is warehouse building that is currently being used by an active metal fabricator. The parcel is currently covered 100 percent by the structure. It is located directly across the street from an affordable townhouse project that is currently under construction and near Catalyst Site 1. The site formerly housed an oil and chemical company in 1942 and a bedding company in 1962.

The site was recently rezoned to IRMX (industrial residential mixed-use) from I2. The IRMX district is primarily intended to accommodate a mix of very low-impact industrial uses, including artists and artisan industrial, and residential and neighborhood-oriented commercial uses.

Site 6: Lehigh and Trenton (Currently Underdevelopment)

The parcel is located at a key intersection in the neighborhood. The site was formerly used as a freight station in 1942 and 1962 and a portion of the site is currently being used as a car dealership. The site is essentially a parking lot with a few temporary structures that serve as sales offices for the car lot. It is located in close proximity to a dense and active housing market and is probably one of the most developable of the catalyst sites.

The site was recently rezoned to ICMX (industrial commercial mixed use) from I2. The ICMX district is primarily intended to accommodate commercial and low-impact industrial uses. The district is intended to serve as a buffer between industrial districts and commercial and residential districts. This site was one of the original catalyst initially included as part of the BF AWP, however during the course of the project the property was sold and a development proposal was put forward. The proposed plan calls for 157 units of market rate development and 5,000 square feet of commercial/retail space.

8.0 OPPORTUNITIES FOR THE CATALYST SITES

Each of the catalyst sites offers unique challenges and opportunities. The large number of brownfield sites located in the study area will likely severely hamper private development in the short term. In general, most of the catalyst sites are surrounded by other brownfields that are likely to impede their redevelopment. For example, the 2201 East Somerset Street and 2740 Amber Street sites are located directly across the street from active metal scrap yards. These neighboring noxious land uses are likely to make the redevelopment of the catalyst sites more difficult.

The study area is home to many vacant and underutilized residential parcels that are located in close proximity to other brownfield sites. A short-term strategy would be to focus development efforts on these parcels while some of the more noxious industrial uses near the catalysts sites are removed. This will help generate a critical mass of residents in the neighborhood that would in turn increase the development potential of the other sites.

The City of Philadelphia and the Philadelphia Redevelopment Authority currently control a significant number of parcels within the study area, while the Philadelphia Land Bank only controls two parcels. The NKCDC should work with the City and Redevelopment Authority to have these parcels transferred to the Land Bank and made available to developers that will redevelop the parcels at little to no cost. As illustrated in Figure 1.4, many of the city-owned parcels are contiguous, which would allow them to be easily consolidated into large developable tracts

8.1 RESIDENTIAL

As illustrated in Section 4, prices in the study area have been steadily increasing over the last couple of years. Based on the data presented in Figure 4.3, it appears that market-rate development has steadily moved from Fishtown up through Kensington and is starting to make its way into the study area. Given the abundance of vacant land in the study area, the study area appears to be the next logical place for development to occur.

Further illustrating the residential potential is the fact that one of the original catalyst sites included in the analysis (site 6 in Figure 7.1) is currently undergoing development. When completed the project will include 157 total residential units and 5,000 square feet of commercial development.

One site that can likely support market rate development is Catalyst Site 3. It is located in the Kensington neighborhood and directly across the street from site 6 in Figure 7.1. It would be an ideal location for a mixed-use mixed-income housing development.

Given the amount of new development that has been occurring in the Fishtown and Kensington neighborhoods, along with the significant increase in housing prices that has occurred within those same neighborhoods over the last several years, there has been a large amount of displacement of long-time residents. A mixed-income project at this site could help slow the rate of displacement by providing high-quality affordable and low-income housing options.

The existing railroad viaduct currently acts a natural boundary between the bulk of the study area and the Kensington neighborhood that is experiencing tremendous residential and commercial development. The location of this site, on the southern side of the viaduct, can act as bridge between the development occurring in the Kensington and Fishtown neighborhoods and the study area, and thereby act as a catalyst to help spur additional redevelopment in the study area.

In addition, the site is located in close proximity to a 178-unit market rate development that is occurring at 2621 Frankford Avenue as well as the proposed development on site 6 in Figure 7.1. The site is also located less than half a mile from the Huntingdon Station on the Market-Frankford Line. This will provide residents with easy access to Center City and University City and further increase the demand for residential uses.

A development program for catalyst site 3 that also includes a retail component, in addition to the residential component, would be able to capitalize on the development that is occurring in the surrounding neighborhood.

The Catalyst Site 4 also has the potential to become an attractive site for residential development in the future. However, the site will likely require significant subsidy for residential development to be successful in the short term. The near proximity of the Somerset station on the Market-Frankford line suggest that as the study area improves, that development of this site will become more attractive.

8.2 RETAIL AND COMMERCIAL

Within a quarter mile, there is leakage across the key retail categories, save for health and beauty and restaurants. However, while the data does suggest that there is an oversupply of health and beauty retail and restaurants, the oversupply is very small. Within a half mile of the study area, there appears to be an oversupply across most of the key retail categories, except for house and home and apparel retailers.

It is important to note that there is a significant amount of development that is either under construction or in the planning stages, as this development is completed, the population of the study area will increase as will the demand across all of the key retail categories. The retail demand that will be generated by these new residents are not reflected in the retail demand data in Table 5.1 As such, the retail gap represents an underestimate of the true retail gap. This suggest that as development occurs both within the study area and in nearby neighborhoods, that there will be the need for additional retail.

As additional development occurs, the catalyst sites that are zoned for mixed uses would likely become attractive locations for retail development.

8.3 INDUSTRIAL

The industrial parcels in the study area and the catalyst sites in particular, represent types of industrial sites that should be transitioned to other uses. The sites are small in size (according to modern standards), have poor site configurations, contain obsolete facilities, and are located in relative isolation from other nearby industrial uses and transportation infrastructure.

Therefore, the catalyst sites are likely not potential candidates for heavy industrial uses and other non-industrial uses should be considered for the site. While some of the catalyst sites are not attractive for modern industrial uses, a few of the parcels contain functional industrial buildings that may be attractive for adaptive reuse.

Given the strong industrial history of many of the sites in project area and the success of the Frankford Avenue Arts Corridor, many of the sites in the study area might be attractive to members of the Makers Movement. The Makers Movement is an emerging light manufacturing trend featuring a strong focus on creative and artistic and artisanal production. Many of the older industrial facilities in the study area provide perfect spaces for such uses. The success of the nearby Frankford Avenue Arts Corridor provides a critical mass of artistic and maker types. The relative affordability of the housing stock further strengthens this potential by allowing potential Makers to also move into the neighborhood, thereby creating a critical mass of residents.

There is currently a large concentration of cultural businesses and emerging resources along Frankford Avenue in Fishtown and Kensington as the result of a long-term initiative organized by the New Kensington CDC and community partners to transform Frankford Avenue into an arts-based hub. The Frankford Avenue Arts Corridor has resulted in a cluster of arts-related businesses and residents. This project could potentially tap into the success of the Frankford Avenue Arts Corridor.

The former industrial buildings located on Catalyst Sites 1 and 5 are prime candidates. The two-story portion of the Trenton avenue site (catalyst site 1) could be set aside for artists that work with smaller media and the one-story section could be for artists who specialize in larger works. The current zoning is conducive for such uses. The site is also likely conducive for use by the Makers Movement. Similarly, the large size of the 2201 East Somerset (catalyst site 5) site could also be attractive for members of the Makers Movement. This type of use would also be consistent with new zoning of these sites which is now industrial residential mixed use (IRMX).

Catalyst site 2 (Somerset and Aramingo) has been rezoned to I-2 (medium industrial), which is primarily intended to accommodate light industrial uses, moderate-impact uses, and employment activities such as manufacturing, distribution, processing, industrial parks. Given this new zoning, the sites proximity to Fishtown, Kensington, and Center City, this site might be attractive for e-commerce distribution center.

8.4 CONCLUSIONS

The redevelopment of the catalyst sites is likely to take time. However, some sites have the potential to be developed quicker than others. While a particular site might not be ready for development at the present time, the site should be preserved for future development and would likely become more developable as the study area evolves.

Catalyst Site 3 appears to be the most attractive of the catalyst sites and can likely be successfully redeveloped in the short-term. The Trenton and Somerset (catalyst site 1) and the Trenton and Auburn (catalyst site 5) also offer short-term potential. However, it is likely that only one of the sites can be developed now; the other should be preserved for future development. The two remaining sites, Somerset and Aramingo (catalyst site 2) and Amber and Seltzer (catalyst site 4) likely have longer development horizons. Table 8.1 summarizes the best use for each of the catalyst sites.

Table 8.1: Opportunities for the Five Catalyst Sites

Catalyst Site	Likely Best Use
1. Trenton and Somerset	<ul style="list-style-type: none"> Adaptive reuse for artist studios or Markers space. Will likely require public subsidy
2. Somerset and Aramingo	<ul style="list-style-type: none"> E-commerce distribution center or other light industrial use that is consistent with the I2 zoning category.
3. Lehigh and Trenton	<ul style="list-style-type: none"> Residential development Possible mixed use to capitalize on the nearby development in Kensington The most attractive of the catalyst sites
4. Amber and Seltzer	<ul style="list-style-type: none"> Future residential development The site should be developed with an interim use to preserve the site until development is feasible.
5. Trenton and Auburn	<ul style="list-style-type: none"> Adaptive reuse for artist studios or Markers space. Will likely require public subsidy
3. Lehigh and Trenton	<ul style="list-style-type: none"> Residential development Possible mixed use to capitalize on the nearby development in Kensington The most attractive of the catalyst sites This site has a pending development proposal that includes 157 residential units and 5,000 square feet of commercial development.

APPENDIX A: POTENTIAL BROWNFIELD SITES

Parcel Number	Address	Building Description	Acres	Current Zoning	Previous Zoning	Land Use
884345387	3060-86 WITTE ST	IND.WHSE MASONRY	0.53	I2	I2	Industrial
882920576	2400-18 E SOMERSET ST	AUTO TIRE CENTER MASONRY	0.53	ICMX	CA1	Commercial
885940260	2755 MARTHA ST	VAC LAND IND < ACRE	0.54	ICMX	I2	Vacant - Industrial
884671500	2111-41 E RUSH ST	IND. LGHT MFG MASONRY	0.60	ICMX	I2	Industrial
884345395	2838 TRENTON AVE	IND. FACTORY MASONRY	0.61	IRMX	I2	Industrial
884346915	1801 E LEHIGH AVE	IND WHSE MAS.+OTHER	0.63	ICMX	I2	Industrial
884345240	2304R-50 E SOMERSET ST	VAC LAND IND < ACRE	0.66			Vacant - Industrial
885555580	2800 TRENTON AVE	PUB.UTIL. 1 STY MASONRY	0.67	IRMX	I2	PECO
884345510	2770-80 JASPER ST	IND.FACTORY MAS+OTHER	0.68	I2	I2	Industrial
884093700	2201 E CAMBRIA ST	IND. LGHT MFG MASONRY	0.69	I2	I2	Industrial
884671900	2916 WEIKEL ST	IND. LGHT MFG MASONRY	0.70	I2	I2	Industrial
884345410	2740 AMBER ST	IND.MILL MASONRY	0.73	RSA-5	I2	Industrial
886666000	2721-51 RUTH ST	IND.WHSE MASONRY	0.74	I2		Industrial
884346925	2001 E LEHIGH AVE	IND.WHSE MASONRY	0.81	ICMX	I2	Industrial
884712900	2649-89 AMBER ST	IND. LGHT MFG MASONRY	0.87	RSA-5	I2	Industrial
885242020	2731 FRANKFORD AVE	VAC LAND IND < ACRE	0.94	ICMX	I2	Industrial
884345400	2745 AMBER ST	IND.WHSE MASONRY	0.96	ICMX	I2	Industrial
885378500	2717 BELGRADE ST	VAC LAND COMM. < ACRE	1.14	I2	I2	Vacant - Commercial
885325880	2201 E ANN ST	VAC LAND IND < ACRE	1.18	I2	I2	Vacant - Industrial
884346920	1841 E LEHIGH AVE	IND.WHSE MASONRY	1.23	ICMX	I2	Industrial
884104340	2601 TRENTON AVE	IND.WHSE MASONRY	1.57	I2	I2	Industrial
884346922	2157 E LEHIGH AVE	AUTO JUNKYARD MASONRY	1.77	ICMX	I2	Industrial
884713000	2621-67 FRANKFORD AVE	IND LUMBER YARD MASONRY	2.03	IRMX	I2	Industrial
884094500	2200 E ANN ST	IND.WHSE MASONRY	2.31	I2	I2	Industrial
884671400	2201 E SOMERSET ST	IND.WHSE MASONRY	2.31	IRMX	I2	Industrial
884345252	2200-50 E SOMERSET ST	IND.SCRAPMETAL YRD MASONR	2.65	ICMX	I2	Industrial
885816300	2035 E LEHIGH AVE	RETAIL CAR LOT NO BUILD	4.49	ICMX	I2	Commercial



